# JAMAICA's
# AEO PROGRAMME

## Authorized Economic Operator (AEO) Programme

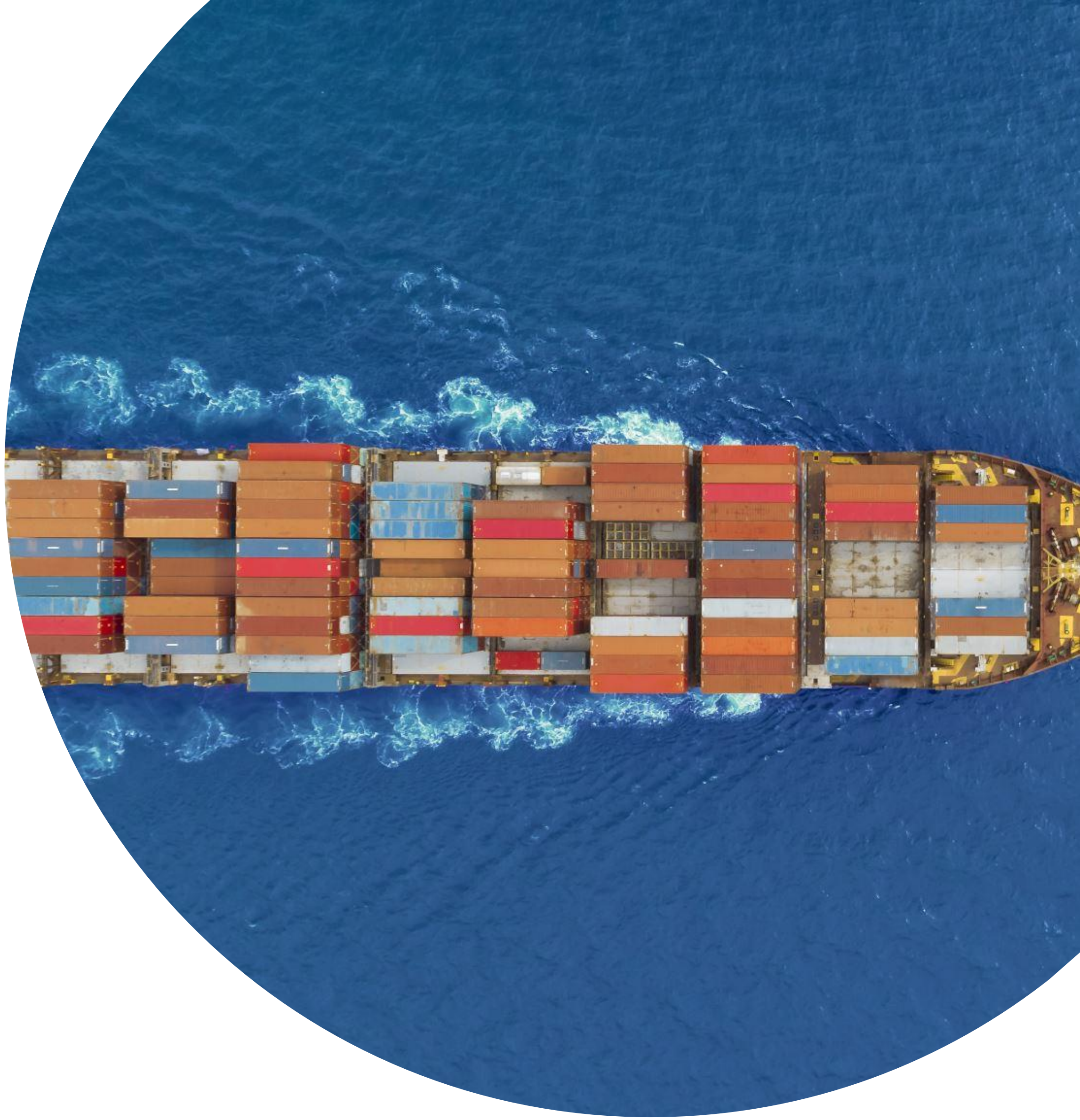
- ✓ Is a programme operated by the Customs Administration in collaboration with the Border and Tax Regulatory Agencies and seeks to reward compliant traders.

## Authorized Economic Operator (AEO)

- ✓ An individual or organization conducting legitimate business within the global supply chain.

# Examples of an Economic Operator

- Importers
- Manufacturers
- Exporters
- Freight forwarders
- Warehouse keepers
- Customs agents
- Carriers
- Port operators



# Objective of the Programme

**Align process flows with international best practices**

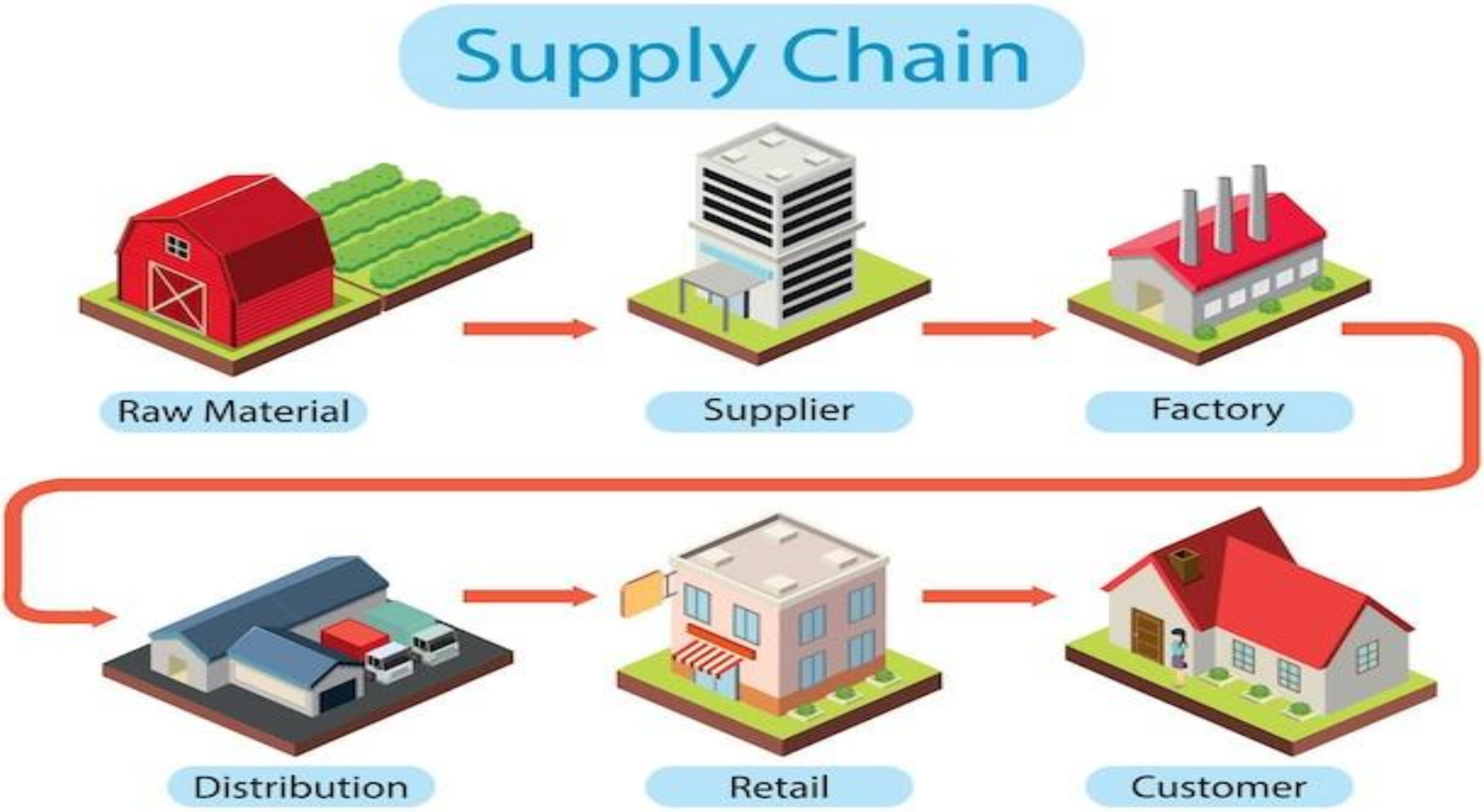
**Mitigate risks along the supply chain, thereby deploying resources to high risk areas**

**Minimize disruptions to the flow of cargo**

**Reward compliant traders**

# Reasons for Introducing an AEO Programme

| Risk Management | Supply Chain Security | Trade Facilitation | Compliance |
|---|---|---|---|
| • Allows resources to be concentrated on high-risk shipments | • Enhanced security along each point of the supply chain of businesses and regulators resulting in increased Border Security for Jamaica | • Allows for improved & faster processing of declarations & goods<br>• Partnership with other Agencies & stakeholders to improve processes | • Written policies & Procedures implemented by AEO ensures Tax laws & regulations are adhered to resulting in increased revenue<br>• Post Clearance Audit shows improved compliance |


Supply Chain
Raw Material
Supplier
Factory
Distribution
Retail
Customer

# Jamaica AEO Programme

- The category of stakeholders participating in the Jamaica AEO Programme include Importers, Manufacturers and Exporters
- There are 154 companies in total with 27 companies being part of Groups of Companies.
- Importers -120
- Importers who also manufacturer - 57
- Exporters – 34

# Programme Requirements

*Be a Registered legal entity actively trading for 3 years*

Import a minimum of six (6) containers per year

Export a minimum of one (1) container per year.

*Maintain proper books and records to facilitate a 2-year audit review*

*Be Financially viable*

Be in good standing with the JCA and other government regulator and Border Regulatory Agencies (BRAs).

# AEO Progamme Security Requirements

- MANAGEMENT & ADMINISTRATION
- BUSINESS PARTNER SECURITY
- PHYSICAL SECURITY
- INFORMATION TECHNOLOGY (IT) SECURITY
- PERSONNEL SECURITY
- CONTAINER AND SEAL SECURITY
- RAW MATERIAL AND STORAGE
- PROCEDURAL SECURITY

# AEO Programme Benefits

# APPLICATION PROCESS

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Completion of pre-qualification questionnaire. Successful applicants are prompted to complete the AEO application form.

Upon submission of the AEO application, applicants receive confirmation email.

Assignment to AEO Account Officer

# Validation process

**1ST**
PREPARATION PHASE
RISK ANALYSIS

→

**2ND**
COORDINATION & CONDUCTING
ON-SITE VALIDATION

→

**3RD**
POST VALIDATION
POST ANALYSIS

→

**4TH**
VALIDATION REPORTS & DECISION
FINAL REPORT & REVIEW

→

**5TH**
MONITORING
SPOT CHECKS & INCIDENT REPORT

# AEO Process Flow


**Risk Analysis:**
**Email Govt. Regulators for compliance record**
**Max 14dys**

**Final Report submitted to AEO Committee for Recommendation to Commissioner**

**Electronic submission of application**

**Conduct Validation Exercise & complete Validation Report**
**Max 90dys**

**Commissioner approves recommendation**
**Applicant signs MOU & receives AEO Certificate**

# Benefits of AEO Programme to Jamaica

- Improved Process level
- Improve security landscape
- Accelerate cargo clearance
- Financially (cost savings)
- Internationally (market access)

# Governance

- AEO Committee
  - Consists of the Management team of JCA Operations
  - Reviews AEO applications to make recommendation to the Commissioner for approval
  - AEO Status recommendations
  - Policy management to ensure quality assurance

# Governance

- **AEO Private Sector Committee**
  - Consists of AEO companies
  - Make recommendations for improvements to the AEO Programme

# Governance

- **Other Government Agencies**
  - Coordinated efforts with JCA for speedy examination of containers
  - Ensure first preference when processing AEO declarations.
  - Improve Risk Mgt. through exchange of information
  - Enhance controls due to expertise of each member

# Production Inputs Relief Certification (PIR) Period

- Newly certified AEO manufacturers with a PIR will initially have a certification period of 3 years

- Both AEO and PIR certification will be for 3 years for newly certified AEO manufacturers.

# Re-certified AEO Manufacturers

All re-certified AEO manufactures will have their AEO and PIR certification periods extended to 5 years

# The future:
# Mutual Recognition Agreements (MRAs)

# Mutual Recognition Agreements (MRA)

- Countries participating in MRAs gain several significant benefits. These include faster market access, which reduces the time it takes for goods to reach the market, and cost savings through decreased expenses related to regulatory compliance.

# Mutual Recognition Agreements (MRA)

- MRAs simplify regulatory compliance by reducing the complexities involved in dealing with foreign regulators. They also foster improved trade relations, leading to smoother trade operations, and enhance the reputation and trust of certified traders, further facilitating international commerce.

# QUESTIONS AND COMMENTS

THANK YOU

# CONTACT DETAILS

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**AEO Programme Website link**

**https://jca.gov.jm/business/authorised-economic-operator/overview/**