



SINGAPORE CUSTOMS 新加坡关税局 **KASTAM SINGAPURA** சிங்கப்பூர் கங்கத்துறை

MEDIA RELEASE

7 June 2022

ASEAN Customs chiefs launch Joint Action Plan to mutually recognise programmes to facilitate cargo clearance

At the opening ceremony of the 31st ASEAN Directors-General (DGs) of Customs Meeting held in Singapore this morning, the DGs of all 10 ASEAN Member States (AMS) launched a Joint Action Plan (JAP), committing to fully implement the ASEAN Authorised Economic Operator (AEO) Mutual Recognition Arrangement [AAMRA, see Factsheet at Annex A] by 2025, based on Strategic Plan of Customs Development on AEO.

The ASEAN DGs of Customs are meeting in a hybrid format in Singapore, which took over the chairmanship of the meeting from the Philippines this June. The annual meeting enables the DGs to provide policy directions and strategic guidance on customs cooperation activities in the ASEAN region.

Opening Address by Minister for Finance Lawrence Wong

Mr Lawrence Wong, Singapore's Minister for Finance, officiated at the opening ceremony of the meeting and delivered a keynote speech this morning. In his speech, he noted that ASEAN has taken another important step forward with the adoption of the JAP on the AAMRA today, which would enable successfully validated businesses to have reduced documentary and cargo inspections across all ASEAN countries, on top of other benefits.

Mr Wong also highlighted two other areas of customs collaboration which will bring great benefit to ASEAN. He said that deepening customs collaboration with ASEAN's major trading partners like the US, China, Japan and South Korea to further lower trade-related costs for businesses and support the development of supply chains from these countries to ASEAN. The other area is aligning respective customs processes to common standards which would reduce administrative costs and make the region more attractive for e-commerce. [Minister's delivered speech is available here: <https://go.gov.sg/goh-speech-at-31st-meeting-of-asean-dg-of-customs>]

Over the three-day meeting, the ASEAN DGs will review the work of the various Customs working groups and committees. They will also conduct consultations with Dialogue Partners namely Australia, China, Japan, and the Republic of Korea, and with private sector representatives from the ASEAN Business Advisory Council, the EU-ASEAN Business Council and the US-ASEAN Business Council to strengthen Customs-to-Business partnerships in the region.

ASEAN countries take turns to host the annual meeting, and Singapore last hosted the regional meeting in 2013. Singapore Customs is the first to resume hosting the DG-level meeting in-person since the start of COVID-19 pandemic.

Singapore Customs

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FACTSHEET

ASEAN AEO MRA (AAMRA)

The ASEAN Authorised Economic Operator (AEO) Mutual Recognition Arrangement (“AAMRA”) initiative was first mooted by Singapore in 2018, and ASEAN Member States (AMS) agreed to a feasibility study co-led by Singapore and Indonesia.

AEO is a customs administration’s partnership programme with businesses to secure and facilitate trade. Companies with robust supply chain security procedures would have to undergo a validation process based on the World Customs Organisation SAFE Framework of Standards to Secure and Facilitate Global Trade (“WCO SAFE Framework”) before they could be certified by the customs administration as an AEO company.

A Mutual Recognition Arrangement (“MRA”) is an arrangement between two or more partner customs administrations to mutually recognise their respective AEO programmes and companies certified under their respective programmes are regarded to be of low risk and accorded with mutually agreed MRA benefits.

The MRA benefits include: (i) Higher level of facilitation during cargo clearance, domestically and overseas; (ii) Priority treatment if the cargo has been selected for inspection; and (iii) Expedited customs cargo clearance in the event of trade disruption. AEO companies would thus enjoy cost savings due to better predictability of cargo movement.

The feasibility study concluded that while AMS were at varying degrees of national AEO implementation, an AAMRA was feasible, and AMS could proceed to commence discussions and preparations and for ready AMS to implement the AAMRA first.

Following the feasibility study, the sub-working Group on AAMRA led by Singapore Customs has been working with AMS since mid-2020 on the implementation of the AAMRA.

AAMRA Joint Action Plan

The Joint Action Plan (JAP) signifies the commitment undertaken by all 10 AMS to fully implement the AAMRA by 2025, based on agreed joint AEO comparability assessment milestones. Under the JAP, upon completion of the necessary AEO assessments and signing of the AAMRA text, at least three AAMRA-ready AMS will proceed to jointly implement the AAMRA in the second half of 2022. The remaining AMS would implement the AAMRA when they are ready.

The AAMRA will enhance supply chain security and facilitate trade in the region, as well as provide further opportunities for AMS to negotiate with non-ASEAN partners as a bloc, furthering the role of the ASEAN Economic Community.

Singapore's AEO and existing MRA with other customs administrations

Singapore's AEO programme is named as Secure Trade Partnership (STP). To date, Singapore has signed 10 bilateral MRAs with Canada, Republic of Korea, Japan, People's Republic of China, Chinese Taipei, Hong Kong, United States, Australia, Thailand and New Zealand.

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Singapore's Minister for Finance, Mr Lawrence Wong (6th from left), with the Heads of Delegation of ASEAN member states launching the Joint Action Plan for the ASEAN Authorised Economic Operator Mutual Recognition Arrangement.



Singapore's Minister for Finance, Mr Lawrence Wong, giving the opening speech.



Director-General of Singapore Customs, Mr Ho Chee Pong, addressing the audience as the incoming Chairperson.