



MEDIA RELEASE

29 September 2023

ENHANCING CARGO CLEARANCE EFFICIENCY ACROSS ASEAN

Singapore, 29 September 2023 – Customs administrations of all the 10 Association of Southeast Asian Nations (ASEAN) Member States [AMS] have signed the Mutual Recognition Arrangement (MRA) of their respective Authorised Economic Operator (AEO) Programmes [AAMRA] on 19 September 2023¹, with a view of implementing the regional AEO MRA by 2025.

2 In line with the ASEAN Economic Community (AEC) Blueprint 2025 to achieve a highly integrated and cohesive ASEAN economy, the AAMRA could potentially enhance trade and promote economic growth in ASEAN. By reducing documentary checks and physical cargo inspections, the AAMRA offers certified AMS AEOs the prospect of smoother cargo clearance and the flow of goods within ASEAN.

3 “The AAMRA is an important step forward in facilitating intra-ASEAN trade and enhancing end-to-end supply chain security. I hope the AAMRA will provide further opportunities for AMS to negotiate with non-ASEAN partners as a bloc, furthering the role of the ASEAN Economic Community,” said Mr Tan Hung Hooi, Director-General of Singapore Customs.

4 Of the 10 AMS, Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand have jointly assessed and validated each other’s national

¹ The AAMRA was signed by AMS remotely. The date of the signing of the AAMRA text is the date where the last AMS signs.

AEO Programmes, ensuring their alignment with the World Customs Organization (WCO) SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework). These programmes are also deemed mutually comparable. The six AMS are now in the process of completing their preparatory works to commence a six-month pilot in December 2023, with the aim of implementing the AAMRA in the third quarter of 2024.

5 The remaining four AMS (Cambodia, Lao PDR, Myanmar and Viet Nam) are in the process of getting more companies to be part of their AEO programmes. Once they are ready, a joint validation will be conducted to assess the mutual comparability of their AEO procedures, based on the SAFE Framework. A second AAMRA pilot for this group of AMS is targeted to commence in 2024, once all preparations are in place.

6 The AAMRA was mooted by Singapore during the 32nd ASEAN Summit held in Singapore in 2018. Singapore Customs has been leading the efforts of the Sub-Working Group on AAMRA since mid-2020. Aside from facilitating trade in the region, the AAMRA is expected to enhance supply chain security as the other AMS recognise the compatibility of Singapore Customs' Secure Trade Partnership - Plus (STP-Plus) programme with their respective AEO programmes.

7 Singapore's total trade volume with AMS averaged S\$292.5 billion for the past three years (2020 – 2022). Companies in Singapore welcomed the signing of the AAMRA.

- Mr Vijay Raj, General Manager, Freight, ST Logistics Pte Ltd, commented, "ST Logistics is a Singapore-based company with 50 years of experience in providing integrated and cost-effective supply chain solutions to the Defence, Government and Healthcare sectors. With the AAMRA agreement in place, ST Logistics enjoys expedited customs clearance internationally with reduced documentation across ASEAN countries including Indonesia, Malaysia and Thailand to achieve cost savings with better predictability of cargo movement. Should there be any customs inspection, our cargo will receive priority treatment which is critical to us in supporting the critical needs of our

customers. Our business partners will also have the confidence in us to provide a secured supply chain, which is a competitive advantage for our company.”

- “We have customers in ASEAN countries, and the AAMRA is expected to not only enable us but also our customers to import and export with a high level of security, but also to make the import/export even smoother,” said Mr. Suzuki Motohiko, Senior Vice President, Angel Manufacturing Singapore Pte Ltd.

8 “To maximise the benefits offered by MRAs, we encourage more companies to come onboard the STP-Plus programme and leverage the advantages offered through the network of MRA partners that Singapore Customs has established over the years,” added Mr Tan.

Annex A: Factsheet on AAMRA

Annex B: Background on Singapore Customs’ Secure Trade Partnership Programme and Mutual Recognition Arrangements

Annex C: ASEAN Secretary’s Joint Press Release on the Signing of the ASEAN Authorised Economic Operator Mutual Recognition Arrangement dated 29 Sep 2023.

Annex D: Photographs

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About Singapore Customs

Singapore Customs, a lead agency under the Ministry of Finance, protects revenue and facilitates trade. We make trade easy, fair and secure. We ensure compliance with customs regulations and collect taxes and duties on dutiable and taxable goods. We regulate the export of strategic goods and implement Singapore’s commitments to some international trade regulations such as the United Nations Security Council Sanctions.

We work closely with other government agencies, industry partners, and international organisations in our mission and operations. With the use of data analytics, digitalisation of processes and various technologies, we continuously improve the efficiency and effectiveness of customs processes.

By proactively balancing the intricate requirements of trade facilitation, security and regulatory compliance, Singapore Customs strengthens Singapore’s position as a global trade hub trusted by businesses operating in Singapore and foreign trading partners.

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

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 Organization 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.

These companies are validated and certified for having robust supply chain procedures in areas, such as:

1. Demonstrated Compliance with Customs Requirements;
2. Satisfactory System for Management of Commercial Records;
3. Financial Viability;
4. Consultation, Co-operation and Communication;
5. Education, Training and Awareness;
6. Information Exchange, Access and Confidentiality;
7. Cargo Security;
8. Conveyance Security;
9. Premises Security;
10. Personnel Security;
11. Trading Partner Security;
12. Crisis Management and Incident Recovery; and
13. Measurement, Analyses and Improvement.

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.

Background on Singapore Customs' Secure Trade Partnership Programme and Mutual Recognition Arrangements

Singapore Customs' Secure Trade Partnership (STP) programme is based on the World Customs Organization SAFE Framework of Standards to Secure and Facilitate Global Trade ("WCO SAFE Framework").

The Framework highlights the need for all stakeholders to take measures to ensure the security of the supply chain, and for customs administrations to establish Authorised Economic Operator (AEO) programmes to certify companies which adopt robust security practices.

Companies with higher security measures in place will be eligible for STP-Plus. They will also receive additional facilitation through the Mutual Recognition Arrangements (MRAs) with our partners.

To date, 76 companies are certified under the STP-Plus programme by Singapore Customs.

MRAs multiply the benefits of national AEO programmes by elevating trade facilitation and trade security to the international level. Such arrangements also help to facilitate continuous secure trade flows in situations of high alert or when international trade is disrupted.

Singapore Customs is the first customs administration in Southeast Asia to enter into mutual recognition of AEO programmes with other customs administrations. To date, it has signed a regional MRA with ASEAN and bilateral MRAs with 11 customs administrations: Canada, Republic of Korea, Japan, People's Republic of China, Chinese Taipei, Hong Kong Special Administrative Region of the People's Republic of China, the United States, Australia, Thailand, New Zealand and the United Kingdom.

Link to PDF: <https://asean.org/asean-member-states-sign-arrangement-to-facilitate-trade-customs-clearance/>



Director-General of Singapore Customs, Mr Tan Hung Hooi, signed the AAMRA.