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Uganda Revenue Authority
DEVELOPING UGANDA TOGETHER



Quick facts on the
AUTHORISED ECONOMIC
OPERATOR (AEO) PROGRAM
A trade facilitation initiative

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Introduction

Authorized Economic Operator program is a trade facilitation initiative derived from the World Customs Organisation Safe Framework of Standards which Uganda Revenue Authority Customs Department implemented in a bid to facilitate trade and promote security of the international trade supply chain.

Uganda Customs therefore seeks to build mutual partnership with businesses that consistently strive to comply with Customs Laws and regulations and in return, such businesses will benefit from the Customs preferential treatments and simplified procedures in the clearance process proposed under the **AEO** Program.

Who is an AEO?

An **AEO** is an individual, a business entity or a government department that is involved in international trade and is duly authorized by the Commissioner of Customs of Uganda Revenue Authority to operate as an **AEO** on fulfillment of requisite supply chain security requirements.

Who are the AEO prospective clients?

Prospective clients include;

- Manufacturers (who are involved in export and import)
- Customs clearing agents
- Bonded ware house keepers
- Importers and Exporters
- Transporters and Freight forwarders

What are the objectives of the Uganda AEO scheme?

- Enhance international trade facilitation by promoting and rewarding good business practices
- Promote Customs to business partnership
- Promote Customs to Customs partnerships
- Promote government inter-Agency (Customs to government Agency partnerships)
- Promote security of international trade supply chain
- Promote voluntary compliance to customs laws and procedures among our clients

What is the eligibility criteria for becoming an AEO?

Customs has developed eligibility criteria, in this criterion individual/business should qualify for or is willing to attain in order to be authorized by the Commissioner of Customs.

- i. The individual/business must be involved in international trade as a player in the supply chain
- ii. Be able to install and use the **URA** systems e.g. **ASYCUDA**, e-tax.
- iii. Must have a good compliance history with Uganda Revenue Authority of at least three years.
- iv. Must be financially sound\should not have filed for bankruptcy in the past



- v. Must have implemented the **AEO** Compliance Program.

The step by step process of attaining an AEO status

Step 1: Expression of Interest in writing to the Commissioner Customs Department

Step 2: Preliminary consultation with Customs **AEO** Team: Interested parties are provided with information about the **AEO** Program

Step 3: Application; a Self-Assessment Form is submitted to Customs with the relevant supporting documents

Step 4: Vetting of Applicant; Customs vets the application and all the supporting documents to confirm whether the Applicant is eligible

Step 5: On-site Inspection; Customs conducts inspection of the Applicants premises to confirm the information provided in the Self-Assessment Form/application form and supporting documents

Step 6: Authorization; upon satisfying all the requirements the applicant is approved as a Customs Authorized Economic Operator by the Commissioner Customs

What are the immediate benefits of the AEO Program to Business?

- i. Pre-arrival clearance of cargo; i.e. the importer or exporter can process the documents for their cargo with customs prior to the arrival of cargo at the customs area/port.
- ii. Reduction in average clearance time observed so far: Clearance Time reduction from Mombasa to Kampala from 18days to 4Hrs & Average **OSBP** Border Clearance 30minutes from 4hours
- iii. Priority treatment at all times while dealing with Customs. Customs will fast track the process of cargo clearance for the **AEO** clients, giving them priority over others.
- iv. Choice of place of physical examination in case there is need to perform physical examination on cargo. The **AEO** client will have the opportunity to select any convenient place for the examination of their cargo should their cargo be selected for examination to avoid multiple loadings & offloadinds which helps him save the cost.
- v. Automatic renewal of Customs Licences like Agency and Bonded Warehouse licenses, Operator-management of Customs Bonded Ware
- vi. Withholding Tax exemption
- vii. Priority to participate in **URA** activities
- viii. Secured parking space at the **URA** Tower
- ix. **AEO** national working Group, an advocacy team for better management of the Program

What are the long-term benefits to the business?

- i. Reduction in the Cost of doing business.
- ii. Enhanced reputation and image.
- iii. Increased business turnover.
- iv. Improved quality of service.
- v. Trustworthy and compliant business.
- vi. Improved Internal Control Systems.
- vii. Mutual Recognition.



The Regional AEO program (EAC Region)

At the Regional level, the Customs Administrations in the East African Community adopted the Authorized Economic Operator (**AEO**) Policy Framework that aims at increasing revenue performance through facilitating trade, strengthening the Customs to Business partnership as well as securing the Regional and Global supply chain.

The Regional **AEO** program therefore runs alongside the National Program. An applicant to the Regional **AEO** is expected to be familiar with the **AEO** Program after having participated as a National **AEO** Operator.

Carrying out business outside Uganda as a Ugandan AEO

There is an arrangement under the **AEO** Program called Mutual Recognition Arrangement, aimed at extending recognition of the **AEO** status to countries with whom we have signed the Arrangement. It involves a country's government, formally recognizing the **AEO** Program of another country's Program and thereby granting benefits to the **AEOs** of that country.

This can be at a bilateral, or multilateral arrangements. For this to happen;

The **AEO** programs in both countries should be consistent with the **WCO SAFE** Framework of standards. Standards are applied in a uniform manner so that one Customs administration may have confidence in the authorization of another country;

Trade facilitation benefits to the Regional AEO operators

The **AEO** shall be allowed under the **EAC** Regional Authorized Economic Operator Program to enjoy the following benefits;

Importers/Exporters/Manufacturers

- Expedited processing of entries/declarations–**AEO** declarations will be given priority throughout the whole clearance process. This will include;
 - Automatic passing of declaration.
 - Once all conditions for lodgment of a declaration are fulfilled by the **AEO**, the declaration shall be lodged and thereafter system released.
- No physical or document examination except for random or risk-based interventions/exceptional cases. Where the **AEO** declaration is randomly selected to the red or yellow lane, priority treatment shall be given during examination. The **AEO** shall also have the option to choose the location for the physical examination.
- Expedited payment of refund claim: Priority shall be given in processing of the refund claims. Where applicable, some procedures will be simplified for the **AEO**.
- Reduced Customs security wherever applicable: Subject to relevant provisions of law/regulations, consideration for a lower Customs Security on a case-to-case basis will be granted to the **AEO**.

Customs Agents

- Guaranteed renewal of Customs agent's license
- The renewal of the **AEO** Customs Agent's license shall not be subject

to the vetting process but the AEO shall be required to make payment for licensing fees and any other related payments.

- Priority to participate in Customs initiatives
- The **AEO** will be given first opportunity to take part in new trade facilitation initiatives within **EAC** Revenue Authorities.
- Priority treatment in cargo clearance chain
- Any consignment declared by the **AEO** Customs Agent will be processed before the non-**AEO** declarations.
- Waiver of movement bond for **AEO**
- The **AEO's** goods in transit to the warehouses will be exempted from movement bond requirements. This will only apply to consignments where the Importer/Exporter, Customs Agents, and the transporter are **ALL AEOs**.

Transporters

- Guaranteed renewal of transit goods license and any other licenses issued by Customs: The renewal of licenses issued by Customs will not be subject to the vetting process but the **AEO** shall be required to make payment for licensing fees and any other related payments.
- Exemption from the mandatory use of Customs Electronic Cargo Tracking System (**ECTS**): In cases where the **ECTS** is required, the **AEO** will enjoy the benefit of optional use of **ECTS**.
- Priority clearance at the borders: Consignments transported by the **AEO** will enjoy expedited border processes.

Warehouse Operators

- Self-management of bonded warehouse: The **AEO** will be granted the privileged to self-manage his/her bonded warehouse. Self-managed Bonded Warehouse is a facility extended to a warehousing Operator where the responsibilities of a Customs Officer are delegated to the Bonded Warehouse Operator. The Warehouse Operator is required to adhere to the provisions of the law and any other conditions that may be given by the Commissioner. This enhances flexibility of Bonded Warehouse Operations in terms of time and cost.
- Guaranteed renewal of **AEO** Warehouse Operator's license: An **AEO** shall not be subject to the vetting process but the **AEO** shall be required to make payment for licensing fees and any other related payments.
- Reduced Customs security wherever applicable: Subject to relevant provisions of law/regulations, consideration for a lower Customs security on a case-to-case basis will be for an **AEO**.

Treatment of AEOs under special circumstances

Verification of AEO consignments

All **AEO** importers are blue lane companies which means risks are addressed through post importation audit, examination can only be made on a risk-based assessment.

In the event that system challenges arise, the Manager, Supervisors and Station heads always ensure that **AEOs** are given priority.



DISCLAIMER: This Information is strictly for purposes of guidance to our clientele and is subject to change on amendment of tax legislations & any other regulations that govern tax administration

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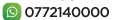


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Place	[REDACTED]
MV Reg	[REDACTED]
Car Make	SUBARU
Car Model	SUBARU
Officer Name	AGUTI
Officer Id	CPL
Amount	100,000
Surcharge	50,000
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Offence Code	11
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