



# Brazilian AEO Program

## Internacional Trade Security and Compliance

# AEO Program in the world

**1998**



Sweden  
(Custom Compliance)

**2001**



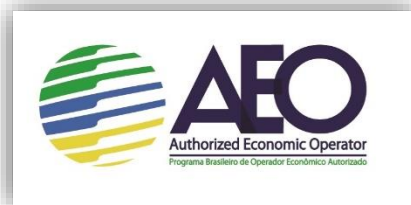
USA  
(Security)

**2005**



WCO  
International Guidelines

**2014**



Brazil  
(Security, Custom Compliance  
and Integration with other  
public administration bodies)



## Programs

- 73 in operations
- 17 under development

## AEO MRA

- 43+3 signed
- 42+4 in negotiation

AEO Compendium – Edition 2017 - WCO

**AEO is a modern  
customs control!**



# Pyramid of Compliance

## Behaviors

## Customs Strategy

Decide not to comply

Use of force

Does not comply, but will do

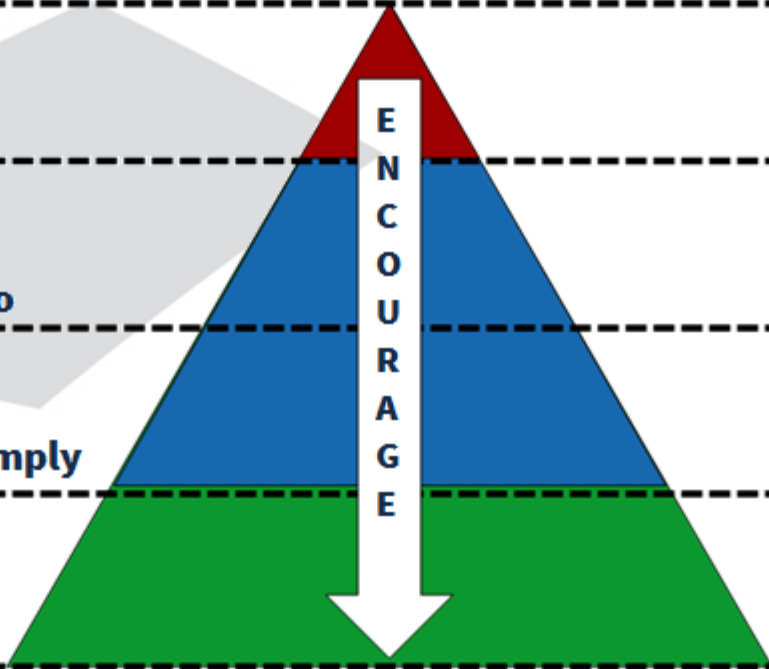
Deterred by detection

Try, but sometimes does not comply

Helped to comply

Wants to comply

Facilitation



\* OCDE, Compliance Risk Management  
(<https://www.oecd.org/tax/administration/33818656.pdf>)

# AEO Program

## Modern Customs Control

- Based on Risk Management
- Incentive compliance through benefits
- Management control x transaction control
- Continuous operator monitoring
- **IMPORTANT:** AEO does not mean zero risk





**Customs-Business  
Partnership**

**Customs-Customs  
Partnership**

**Customs-Others  
Government Bodies  
Partnership**



# AEO

Authorized Economic Operator

Programa Brasileiro de Operador Econômico Autorizado

## Normative Instruction RFB nº 1598/2015

# Implementation Stages Brazilian AEO Program

<b>AEO Security (AEO-S)</b>	<b>Certification based on SECURITY requirements</b>	<b>Dec/2014</b> 
<b>AEO Compliance (AEO-C)</b>	<b>Certification based on COMPLIANCE with TAX and CUSTOMS legislation</b>	<b>Dec/2015</b> 
<b>AEO Integrated</b>	<b>Customs to others Government Agencies COOPERATION</b>	<b>Nov/2018</b> 



# Authorized Economic Operator

They are stakeholders that operate in foreign trade, certified by the RFB, and who voluntarily comply with:

- **Security** criteria applied to the logistic chain
- **Compliance** Criteria for Tax and Customs Obligations



# AEO Certifications

## AEO-Security

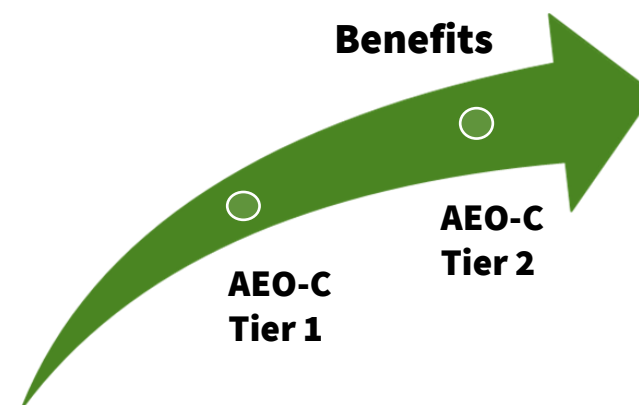
Certification based on SECURITY requirements:

- Impo/Exporters
- FreightForwarders
- Carriers
- Port Operator
- Airport Operator
- Customs Warehouses
- REDEX (special enclosure for export customs clearance)

## AEO-Compliance

Certification based on compliance with TAX and CUSTOMS legislation:

- Impo/Exporters, tiers 1 and 2



# AEO Certifications

## AEO-Integrated

### Ordinance RFB n° 2384/2017

Complementary module that includes other public administration bodies, which exercise control over foreign trade operations, in the OAS Program

Each control organisms is responsible for:

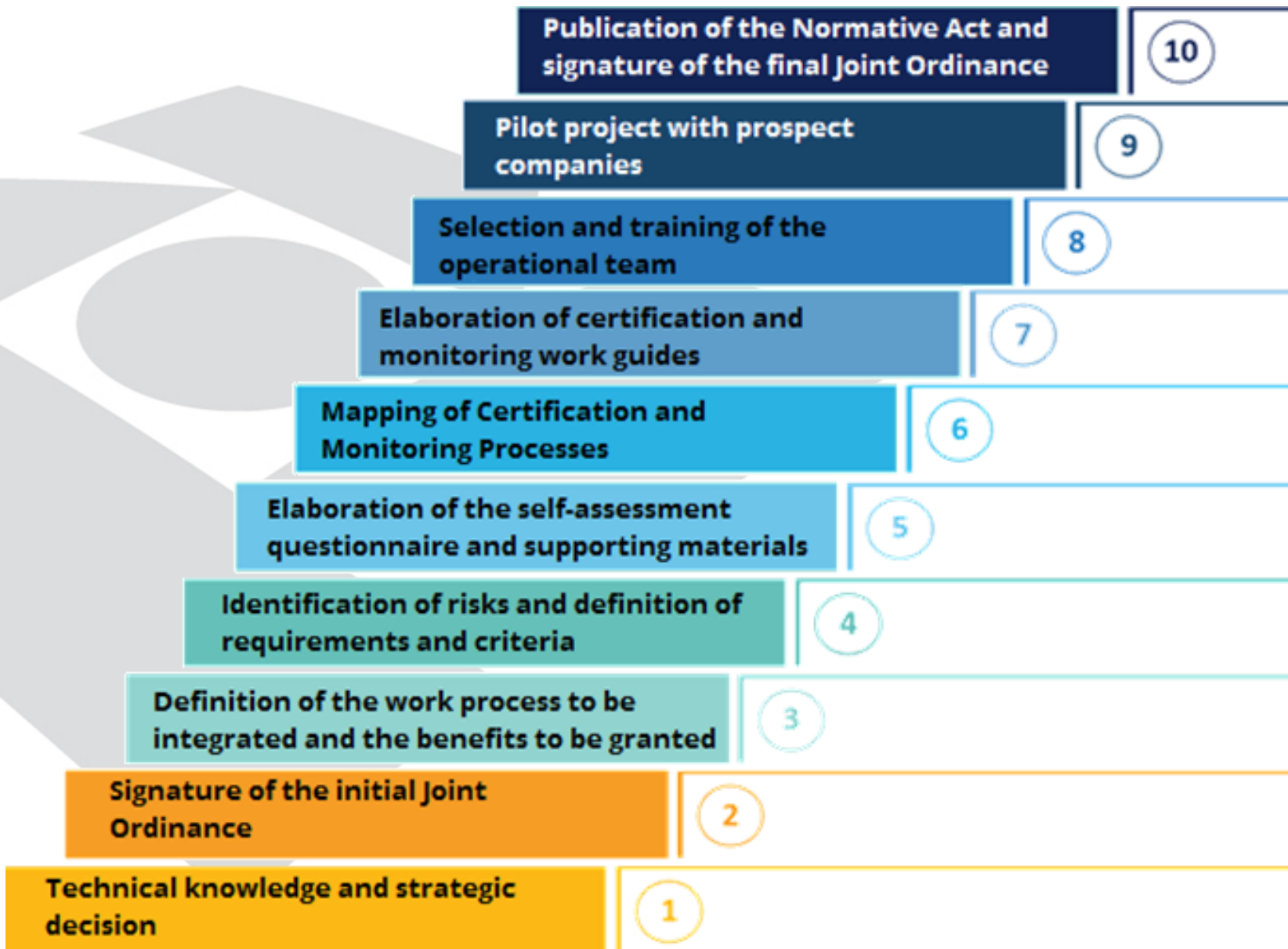
- Definition of requirements, trying not to create repeated demands
- Definition of benefits and mode of implementation
- Analysis, validation, monitoring and review
- Publication of specific normative acts

**Principal  
Module**



**Complementary  
Module**

**Others  
Control  
Organisms**



# Ten steps to implementation AEO-Integrated



# AEO-AGRO

Ministry of Agriculture



RFB and SDA Joint Initial Ordinance  
signed on 12/13/2016

## Current Situation: STEP 10

- Normative Instruction SDA n° 45 of 10/30/2018 that regulates the AEO-Agro
- Joint Ordinance RFB / SDA n° 1849 of 11/28/2018 that allows operations

## Next Steps AEO-Agro:

- Event for certification of operators who participated in the AEO-Agro pilot:
- Integration of the AEO-Agro certification process into the AEO System in the Single Window Siscomex



# AEO-Integrated

## Brazilian Army



RFB and Army Joint Initial Ordinance signed on 03/14/2018

### Current Situation: STEP 3

- Definition of the work process to be integrated and the benefits to be granted

## Civil Aviation



RFB and ANAC Joint Initial Ordinance signed on 06/13/2018

### Current Situation: STEP 4

- Definition of requirements and criteria

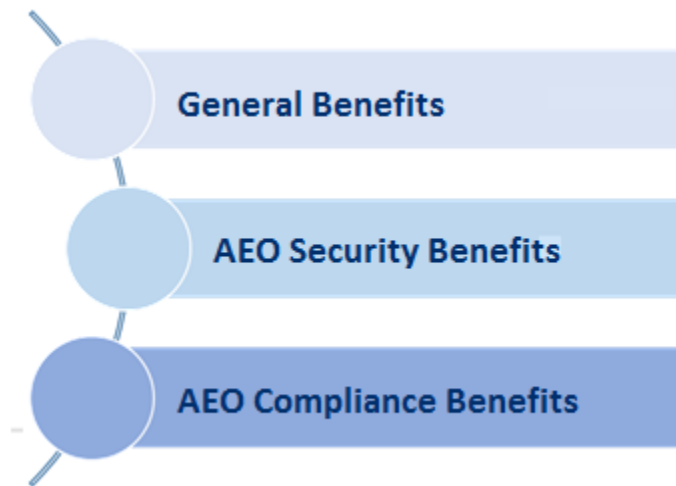
## Health Surveillance



### Current Situation: STEP 2

- Signing of the Joint Ordinance with the RFB scheduled for 05/07/2019

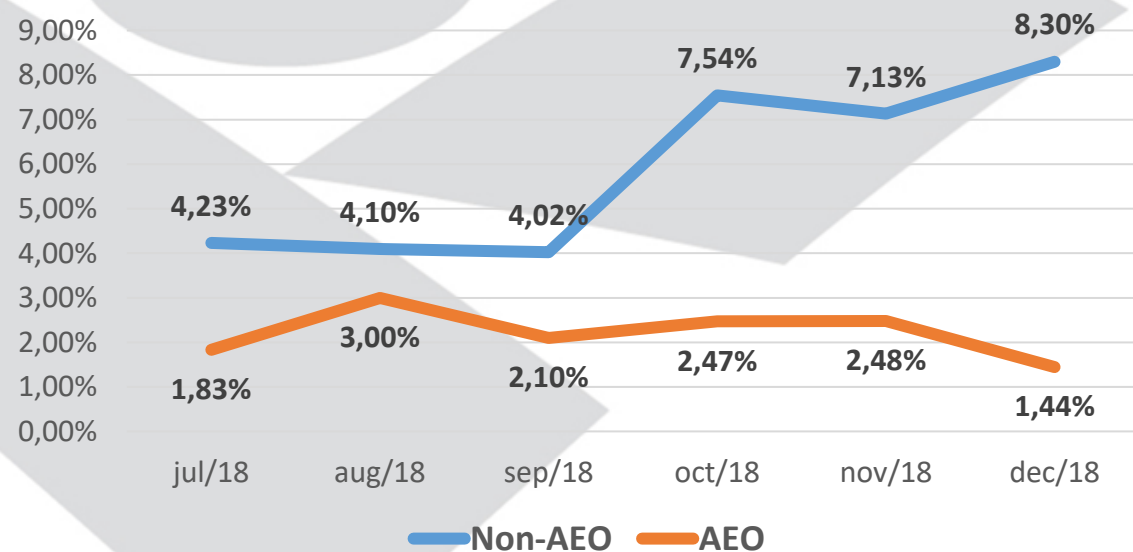
<b>AEO BENEFITS</b>	<b>S</b>	<b>C1</b>	<b>C2</b>
List on RFB Website	X	X	X
Use of the AEO Program Logo	X	X	X
Specially appointed AEO Customs Support Officer	X	X	X
Priority when applying for a different AEO Type or Tier	X	X	X
Mutual Recognition Agreement Benefits (MRA)	X	X	X
RFB and AEO certified members joint workshops and trainings	X	X	X
Active participation in updating laws and Customs procedures related to AEO (Consultive Group)	X	X	X
Requirement waiver when asking for special Customs regimes	X	X	X
Real time channel definition	X		
Lower rate of document and physical controls in EXPORT operations	X		
Priority on document and physical controls	X		
Guarantee waiver for transit	X		
Priority access to the AEO carrier (Customs Warehouses)	X		
Priority on AEO Classification of Goods Decision (max 40 days)		X	X
Guarantee waiver for temporary admission		X	X
24h for removal loads in a special air cargo area		X	X
Real time channel definition			X
Lower rate of document and physical control in IMPORT operations			X
Priority on document and physical controls			X
Permission to submit import declaration before the goods arrival*			X



\* Not available yet

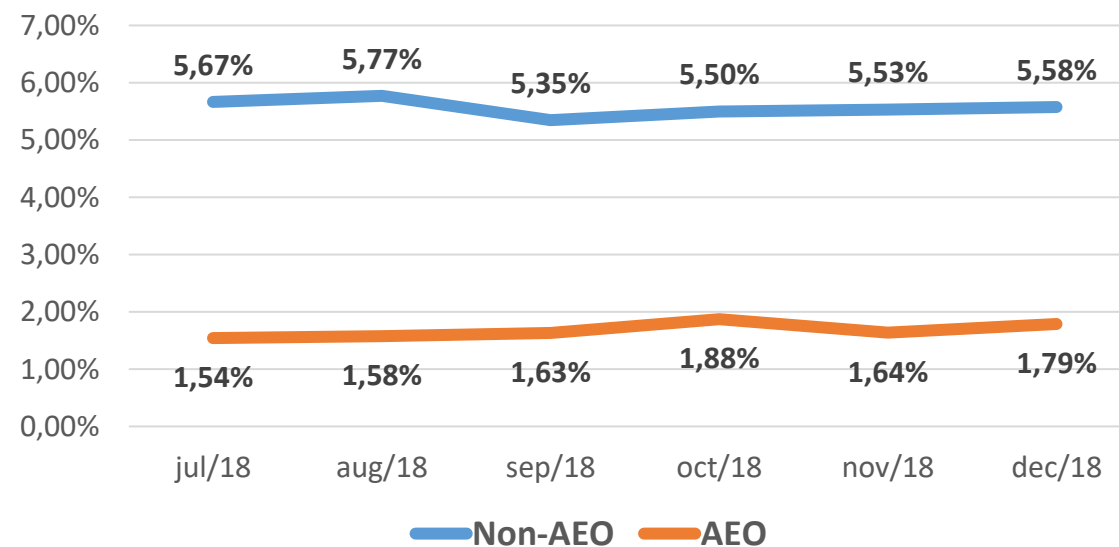
# Lower rate of document and physical controls in import and export operations

## Export (AEO-S)



**Average reduction: 67%**

## Import (AEO-C2)



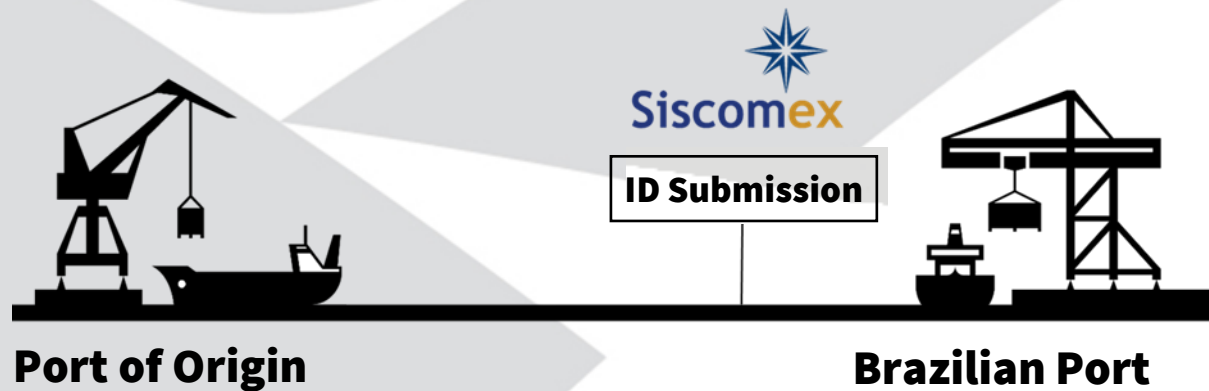
**Average reduction: 64%**



# AEO Water Dispatch

Portaria Coana nº 85/2017

- Permission to submit import declaration before the goods arrival in a Brazilian Port



- Since 23/07/18, the benefit is available in all Brazilian Ports

**Only for AEO-C2**

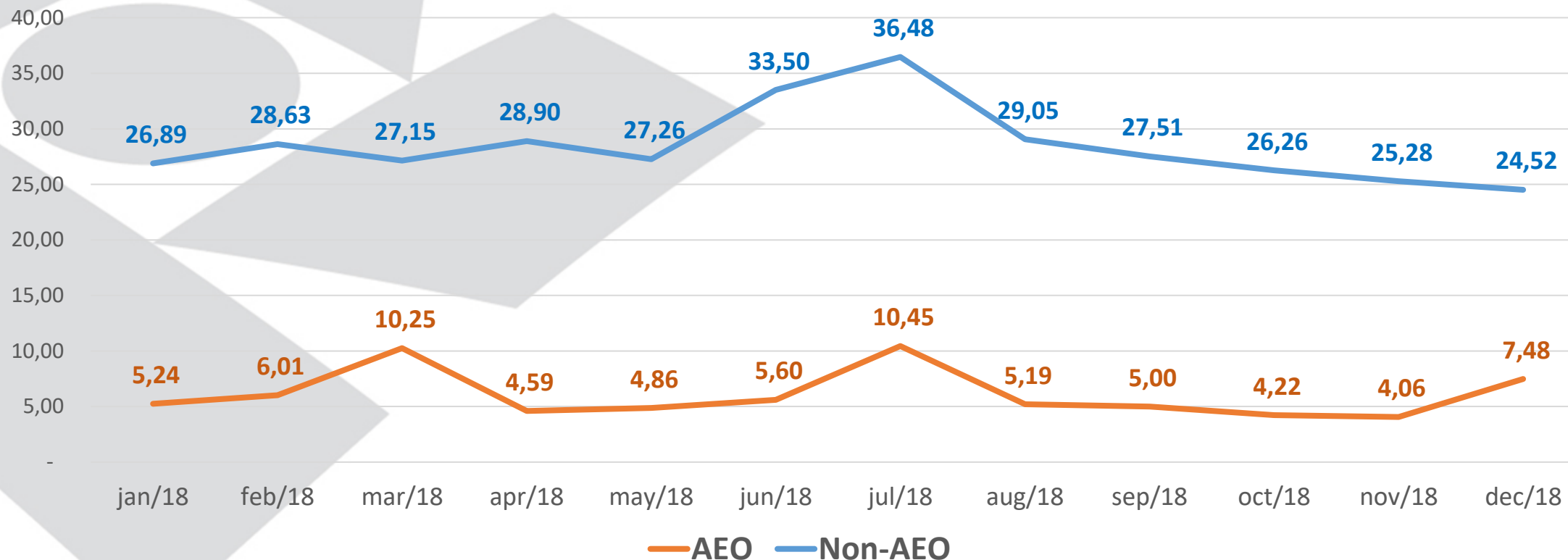
**GREEN CHANNEL ~ 98%**  
(Automatic Release)

**CHANNELS ~ 2%**

- **YELLOW** (Documental Inspection)
- **RED** (Document and Physical Inspection)

# Average Gross Time of Import Dispatch

## Time in hours - AEO vs. Non-AEO



Fonte: DW Aduaneiro – Receita Federal

# How to apply for AEO Certification

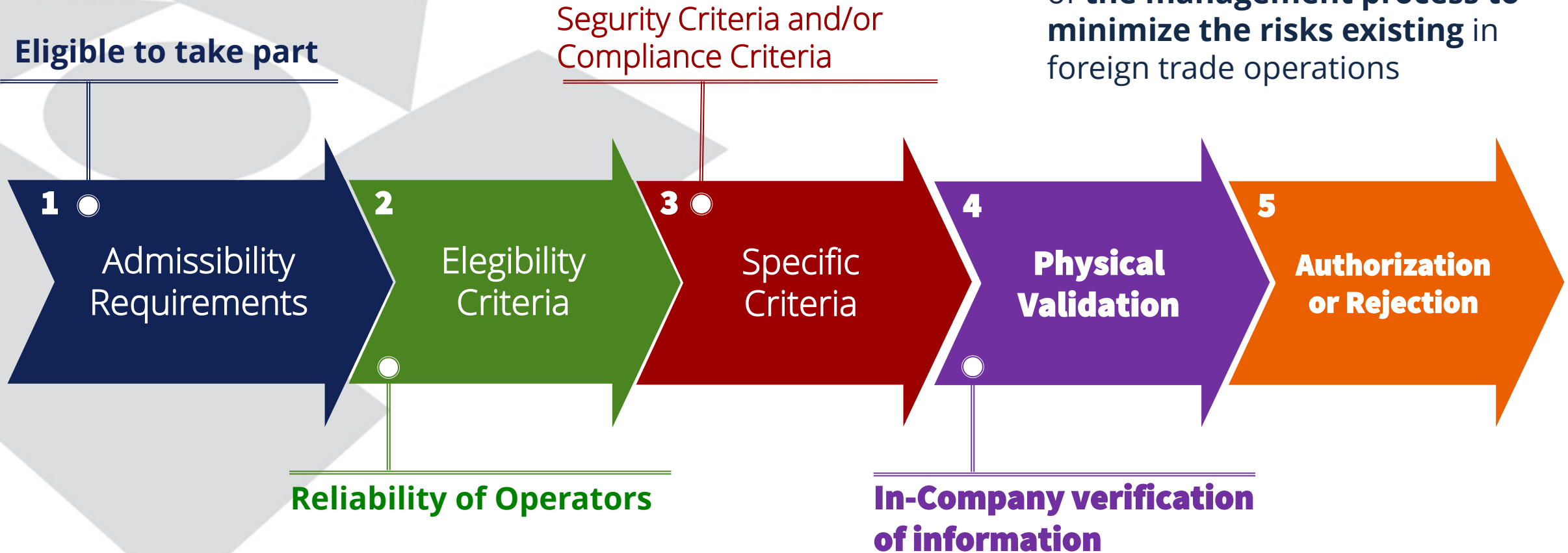


- All information must be provided directly through the Single Window Siscomex, by the Internet
- Self-assessment tool
- Objective Responses
- Attachment of evidence



# AEO Certification Process

Brazilian AEO certification process consists of the evaluation of **the management process to minimize the risks existing** in foreign trade operations



# Admissibility Requirements

1. Adhesion to the Electronic Tax Domicile (DTE)
2. Adhesion to Digital Accounting Bookkeeping (ECD) - Accounting SPED
3. Proof of fiscal regularity, by means of the Certificate Negative of Debts Relating to Federal Tax Credits and to the Active Debt of the Union (CND)
4. Registration with CNPJ and collection of federal taxes for more than 24 months
5. Acting as an intervener in activity that can be certified for at least 24 months
6. No rejection of application for certification in the last 6 months

## **To Customs Warehouses and Carriers:**

7. Authorization for the applicant to operate in its area of activity

# Eligibility Criteria

## 2.1. Applicant's record regarding compliance with customs legislation

OBJECTIVE: To avoid recurrence of violation of customs legislation.

## 2.2. Information management

OBJECTIVES: To ensure the availability and accuracy of commercial records related to foreign trade operations. Ensure accuracy of declared customs interest information.

Subcriteria to be evaluated:

- 2.2.1. Operations records
- 2.2.2. Information security
- 2.2.3. Documentary quality \*
- 2.2.4. Information declared \*

\* Adapt your procedures before submitting the AEO application.

## 2.3. Financial solvency

OBJECTIVE: To maintain and improve all controls related to the Program's criteria.

Subcriteria:

- 2.3.1 Bankruptcy, judicial / extrajudicial recovery or fiscal precautionary measure
- 2.3.2 Solid financial situation \*

## 2.4. Human resources policy\*

OBJECTIVE: To avoid the admission or maintenance of personnel who represent a threat to the logistic chain or to customs compliance.

Subcriteria:

- 2.4.1 Identification of sensitive positions
- 2.4.2 Selection of staff for sensitive positions
- 2.4.3 Follow-up of occupants of sensitive positions
- 2.4.4 Termination of Personnel

# Eligibility Criteria

## 2.5. Customs risk management\*

OBJECTIVE: To identify, analyze, evaluate, prioritize, treat and monitor events that may affect objectives related to AEO Program criteria.

- Customs risk management process
- Process to be periodically updated
- Records that demonstrate the execution of the process.
- Ex .: map of risks; audit report etc.

\* Adapt your procedures before submitting the AEO application.

**MANDATORY:**

**AEO-Security  
e  
AEO-Compliance**

Orientações para o  
**Gerenciamento dos Riscos**

**ISO** 31000:2009  
RISK MANAGER



Sign in: [receita.economia.gov.br](https://receita.economia.gov.br)

➔ **AEO Portal / legislation and materials**

**What is the concept  
of physical security  
of cargo ??**





# Physical security of cargo



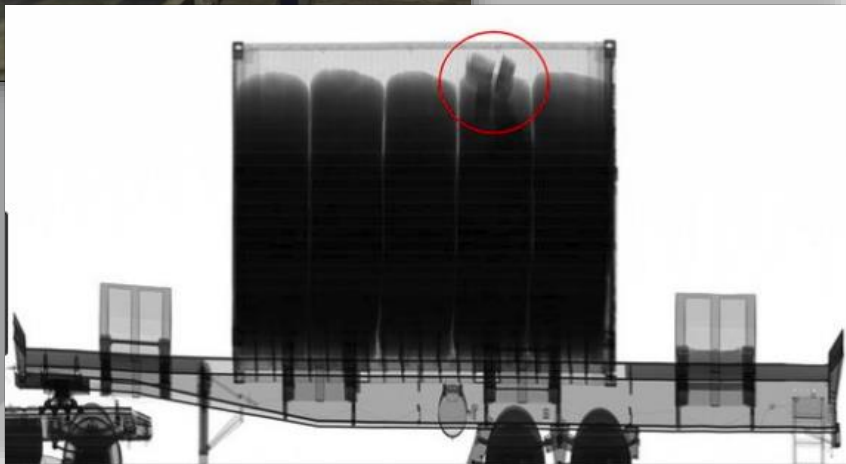
**It is not**  
**Property security**



**Physical security of the cargo aims to inhibit:**

- International drug trafficking
- International arms trafficking
- Smuggling
- Tax evasion
- Violation of industrial or intellectual property rights

# Cargo Contamination Rip-on/Rip-off



**03/23/18 – 2 tons of cocaine – Santos Port/SP**

<https://g1.globo.com/sp/santos-regiao/noticia/mais-de-2-t-de-cocaina-com-destino-a-europa-sao-interceptadas-no-porto-de-santos-sp.shtml>

# Cargo Contamination Rip-on/Rip-off



**11/07/16 – 900 kg of cocaine – Navegantes Port / SC**

<http://g1.globo.com/sc/santa-catarina/noticia/2016/11/mais-de-900-kg-de-cocaina-sao-apreendidos-no-porto-de-navegantes.html>

# Contamination of fruit loads



**17/10/16 – 1 ton of cocaine – Navegantes Port / SC**

<http://portaltri.com.br/1/noticias/2/policial/61726/mais-de-uma-tonelada-de-cocaina-e-apreendida-em-santa-catarina>



**07/13/18 – 656 Kg of cocaine – Santos Port / SP**

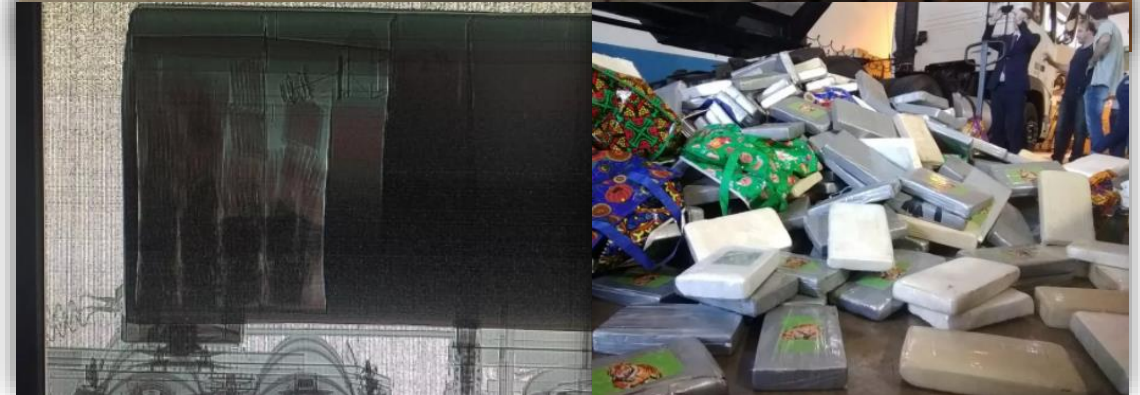
<https://www.gazetasp.com.br/litoral/41414-receita-apreende-656-kg-de-cocaina-em-carga-de-limao-no-porto-de-santos>

# Land Vehicle Contamination



## 08/04/17 – 400Kg of cocaine and crack on false truck bottom

[https://www.jornalvs.com.br/\\_conteudo/2017/08/noticias/regiao/2151807-apreendidos-mais-de-400-quilos-de-crack-e-cocaina-em-fundo-falso-de-caminhao-em-portao.html](https://www.jornalvs.com.br/_conteudo/2017/08/noticias/regiao/2151807-apreendidos-mais-de-400-quilos-de-crack-e-cocaina-em-fundo-falso-de-caminhao-em-portao.html)



## 04/09/18 – 1.8 tons of cocaine in tank truck false bottom

<https://g1.globo.com/pr/oeste-sudoeste/noticia/receita-federal-apreende-caminhao-tanque-que-transportava-cocaina-em-fundo-falso.ghtml>

# Contamination of Sugar Loads



**02/16/17 – 760 kg of cocaine  
Santos Port / SP**

<https://fotospublicas.com/receita-e-policia-federal-apreendem-mais-de-700-kg-de-cocaina-no-porto-de-santos/>



**01/25/17 – 717 kg of cocaine Santos Port / SP**

<http://g1.globo.com/sp/santos-regiao/noticia/2017/01/alfandega-e-pf-apreendem-mais-de-700-kg-de-cocaina-no-porto-de-santos.html>

# International drug trafficking



**07/09/18 – 4 tons of cocaine**  
**Operation Antigoon - Rio de Janeiro Port/RJ**

<https://globoplay.globo.com/v/6860234/#>



# Security Criteria

## 3.1. Cargo security

OBJECTIVES: Avoid use of adulterated cargo unit or cargo compartment. Avoid violation of cargo units and cargo vehicles.

Subcriterias:

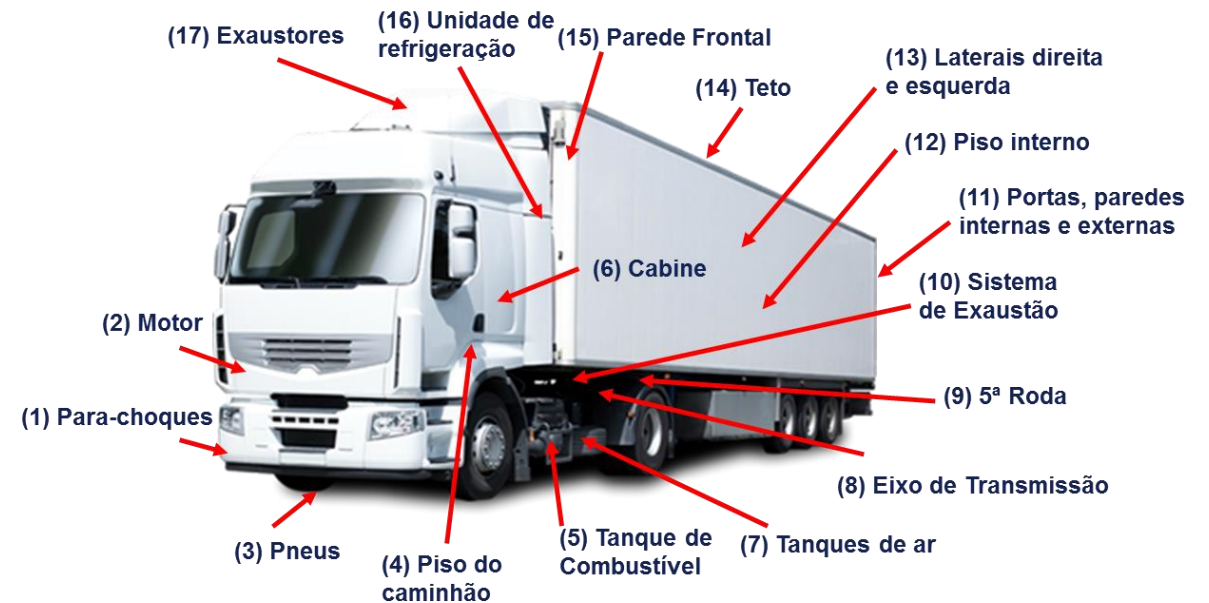
- 3.1.1 Inspection of cargo units and vehicles
- 3.1.2 Use of security devices
- 3.1.3 Checking the integrity of the cargo unit
- 3.1.4 Cargo transportation
- 3.1.5 Storage of cargo units

## 3.2. Physical access control

OBJECTIVE: To prevent unauthorized access to areas or sectors of the establishment.

Subcriterias:

- 3.2.1 Access control of people
- 3.2.2 Visual identification of person
- 3.2.3 Detection and removal of unauthorized persons
- 3.2.4 Vehicle access control
- 3.2.5 Control of access keys and devices





# Security Criteria

## 3.3. Threat Training and Awareness

OBJECTIVE: To make employees aware of chain security.

Subcriteria:

- 3.3.1 Awareness of threats and identification of vulnerabilities
- 3.3.2 Training in security of the logistic chain
- 3.3.3 Encouraging participation in trainings

## 3.4. Physical security of premises

OBJECTIVE: To prevent unauthorized access to areas or sectors of the establishment.

Subcriteria:

- 3.4.1 Perimeter security and separation structures
- 3.4.2 Monitoring of facilities
- 3.4.3 Internal parking lots
- 3.4.4 Lighting of installations
- 3.4.5 Structure of locking installations and devices

## 3.5. Business Partner Management \*

OBJECTIVE: To avoid partnerships that compromise the security of the international logistics chain

Subcriteria:

- 3.5.1 Selection of trading partners
- 3.5.2 Monitoring of trading partners
- 3.5.3 Management of logistics chains



\* Adapt your procedures before submitting the AEO application.

# Compliance Criteria

## 4.1 Description of goods

OBJECTIVE: To ensure correct identification of the goods described in customs declarations.

Sub-criterion: 4.1.1. Description of goods in customs declarations

## 4.2. Classification of goods

OBJECTIVE: To ensure the registration of customs declarations with goods correctly classified in NCM.

Sub-criterion: 4.2.1. Classification of goods in customs declarations

Formal (written) procedure, mandatory application  
Formal and periodic control over procedure  
Records that evidence its execution  
\* Adapt your procedures before submitting the AEO application.

## 4.3. Indirect Operations

OBJECTIVE: To ensure correct identification of the taxable person, real seller, buyer or responsible for the foreign trade operation in customs declarations.

Subcriteria:

- 4.3.1. Operations in the Internal Market
- 4.3.2. Imports by order or by account and order
- 4.3.3. Exports on account and order

## 4.4. Basis for calculation of taxes

OBJECTIVE: To correctly declare the tax base.

Sub-criterion: 4.4.1. Basis for calculation of taxes

# Compliance Criteria

## 4.5. Origin of goods

OBJECTIVE: To request preferential or non-preferential tariff treatment in accordance with applicable legislation.

Subcriteria:

- 4.5.1. Rules of Origin
- 4.5.2. Certificates of Origin

## 4.6. Immunities, tax benefits and suspensions

OBJECTIVE: To ensure that immunities, tax benefits and suspensions are properly requested, enjoyed and extinguished.

Sub-criterion: 4.6.1. Immunities, tax benefits and suspensions

## 4.7. Professional qualification

OBJECTIVE: To ensure correct elaboration and execution of activities related to compliance with customs legislation.

Sub-criterion: 4.7.1 Professional qualification

## 4.8. Exchange control

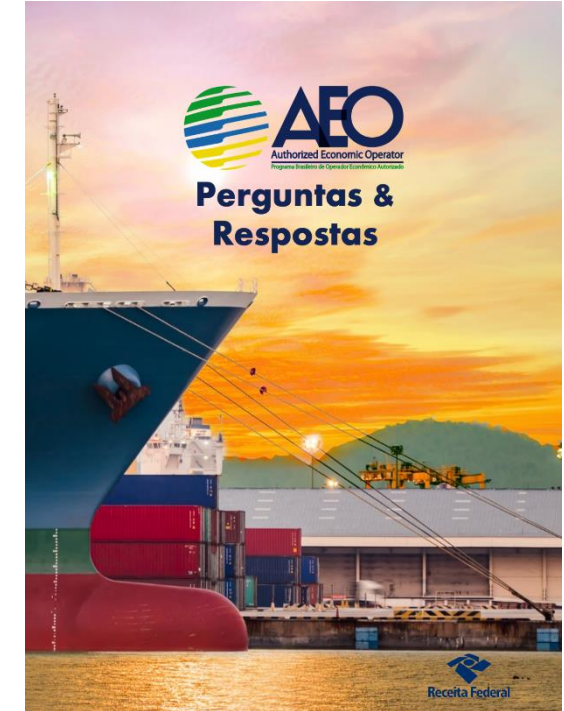
OBJECTIVE: To ensure foreign exchange control of foreign trade operations.

Sub-criterion: 4.8.1. Exchange control

Formal (written) procedure, mandatory application  
Formal and periodic control over procedure  
Records that evidence its execution  
\* Adapt your procedures before submitting the AEO application.

# Required reading

- **Annex II:** requirements that must be met by the applicants of the AEO Certification before sending the application
- **Questions & Answers:** answers to questions received by the AEO corporate e-mail.



Sign in: [receita.economia.gov.br](https://receita.economia.gov.br)

➔ **AEO Portal / legislation and materials**

# Physical Validation

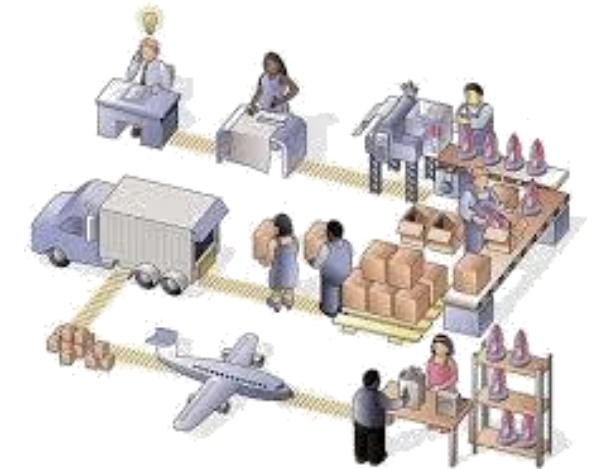


- **OBJECTIVE:** to verify the information collected in the certification process to build conviction regarding compliance with the requirements of the AEO Program
- **PARTICIPANTS:** at least 02 RFB servers and company representatives involved in the certification process
- **Average Duration:** 01 day
- **Unit chosen for validation:** depends on the modality of certification. If AEO-S, the one with the highest volume of exports

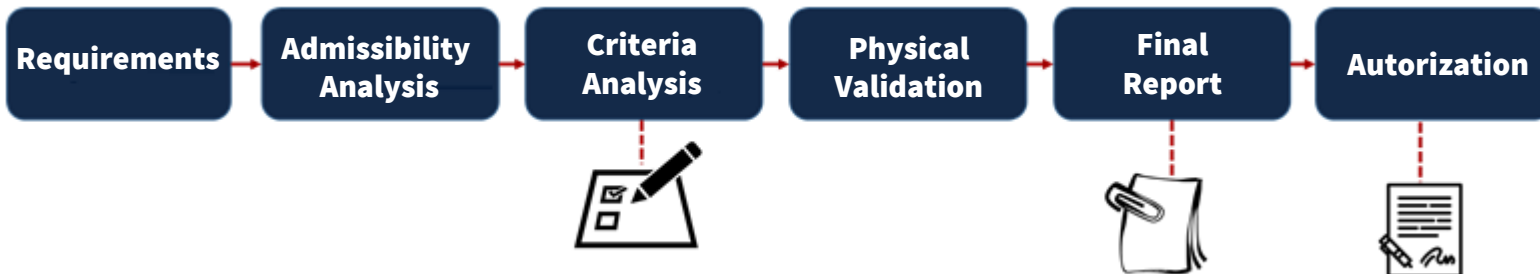
# Physical Validation






## Atividades desenvolvidas:

- Brief **presentation** of the AEO Program and the RFB team present
- Approach of the points that contemplate the **Validation Plan**
- **Interview** with involved in the processes to be evaluated
- Collection of **evidence** that was not satisfactorily collected during the process instruction
- Building **beliefs** about:
  - Participation of senior management in the process
  - Effectiveness and application of submitted work processes
  - Knowledge of the principles and objectives of the OAS Program
- Closing and feedback to company representatives



# Structure RFB AEO Program



-  **Manaus** – Alfândega do Porto de Manaus
  - RF02 – Região Norte
-  **Recife** – Inspetoria de Recife
  - RF03, RF04 e RF05 – Região Nordeste
-  **Belo Horizonte** – Inspetoria de Belo Horizonte
  - RF01, RF06 e RF07 – Região Centro Oeste, MG, RJ e ES
-  **São Paulo/SP** – DELEX
  - RF08 – São Paulo
-  **Curitiba/PR** – Inspetoria de Curitiba
  - RF09 e RF10 – Região Sul

# Monitoring

Monitoring

Requirements and Criteria

Records



## Graduation of Benefits

Article 8º § 1º The benefits may be of a general nature or **granted** according to the modality of certification, the function of the operator in the logistic chain or the **degree of conformity**.

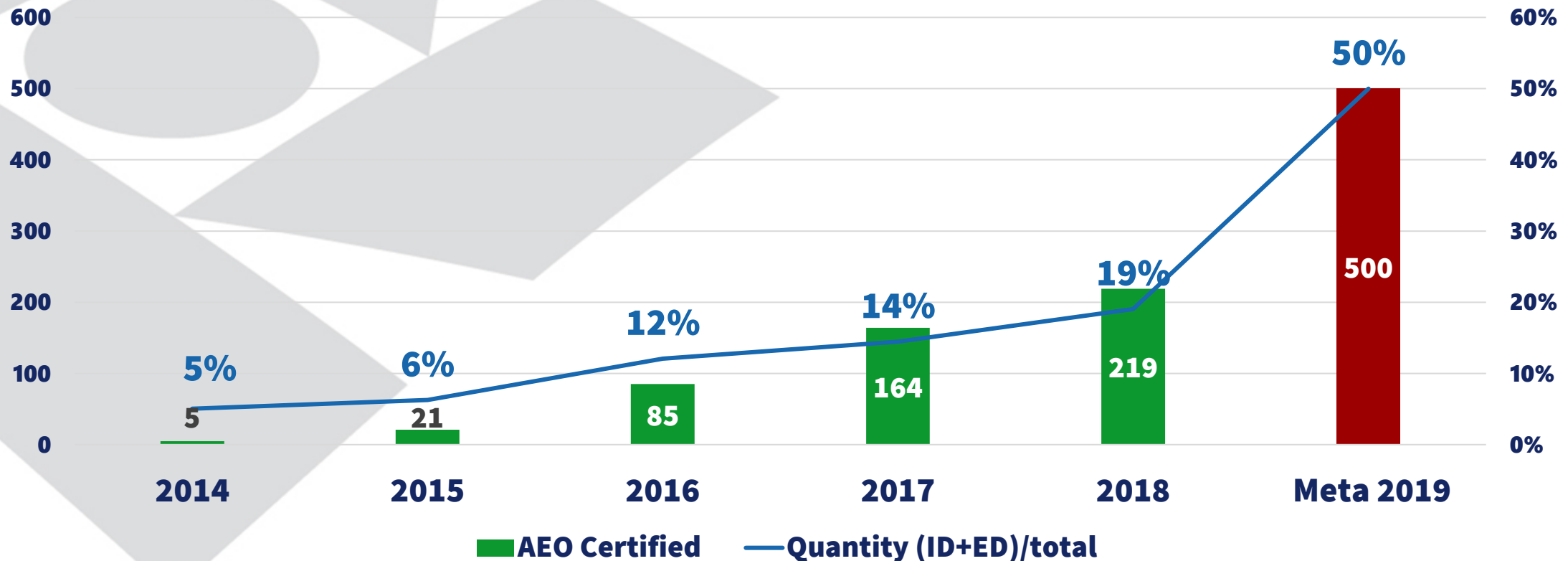
## Temporary Exclusion

Article 21. The finding of non-compliance with the conditions for permanence in the AEO Program may entail the **exclusion** of the operator certified as AEO.





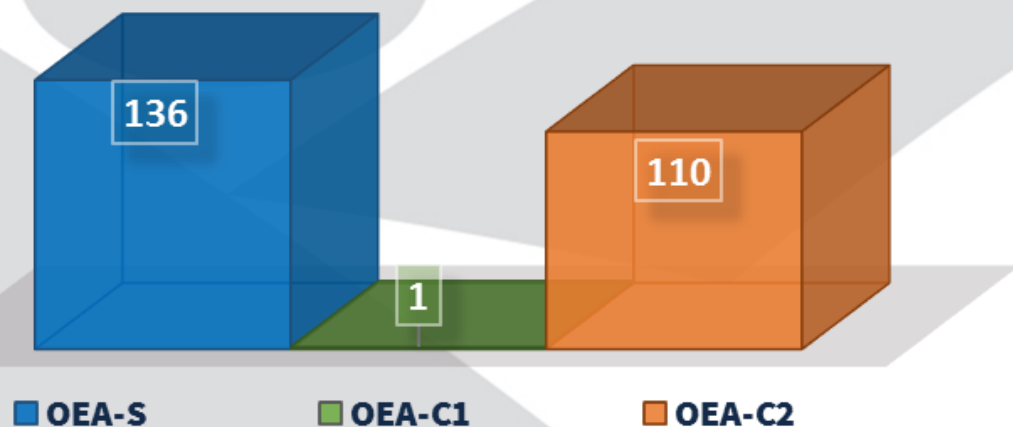
# Participation of AEO in Brazilian foreign trade



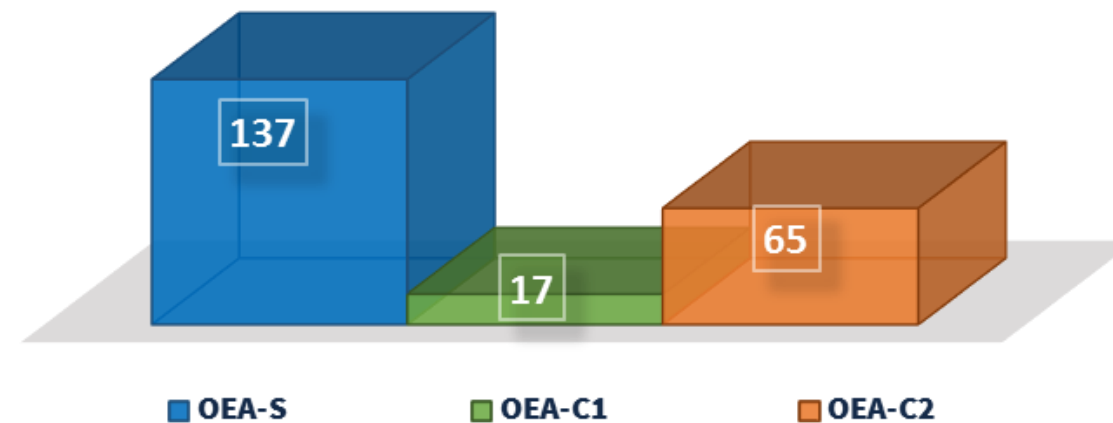
Source: DW Customs RFB - Until December / 2018

# AEO Statistics

**UNDER ANALYSIS = 247**



**CERTIFIED FUNCTIONS = 219**



Source: CRM RFB - Until December / 2018

<https://receita.economia.gov.br/orientacao/aduaneira/importacao-e-exportacao/oea/estatisticas-do-programa-oea>

# AEO Mutual Recognition Agreement



# First Brazilian MRA: Uruguay - 12/13/2016



- Mutual recognition of EXPORTERS and CARRIERS
- Express Boundaries:
  - Chuí (BR) - Chuy (UY)
  - Jaguarão (BR) to Rio Branco (UY)
  - Santana do Livramento (BR) - Rivera (UY)
- Benefits:
  - Simultaneous initiation of export formalities
  - Physical inspections together in Integrated Control Areas
  - Priority on document and physical controls
  - Priority access to the AEO carrier (Customs Warehouses)

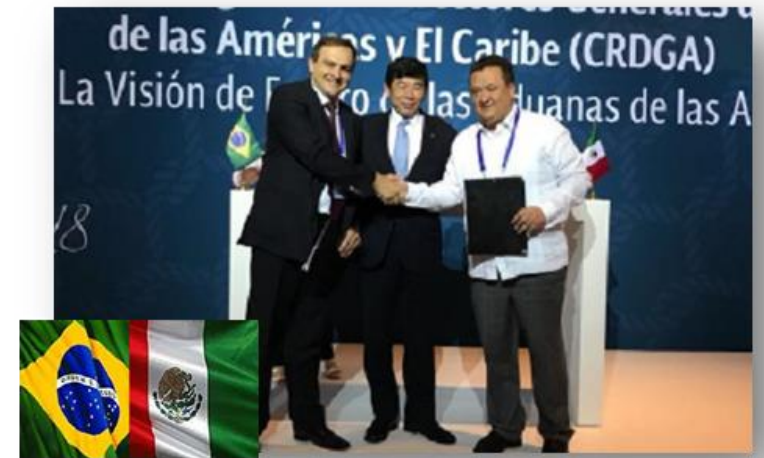
# Joint Work Plans - MRA



05/29/2015  
Signing with the USA



11/19/2017  
Signing with Bolivia



04/17/2018  
Signing with Mexico



11/18/2015  
Signing with Argentina



09/07/2018  
Multilateral Work Plan  
between Mercosur countries

# Joint Work Plans - MRA

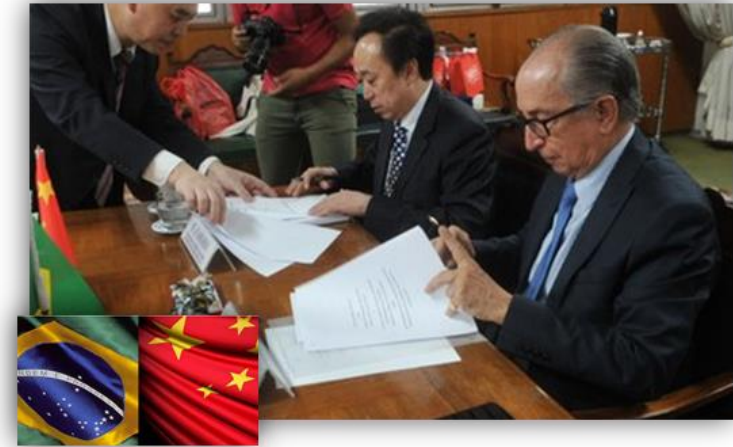


11/27/2018  
Signing with Peru



## AEO Regional MRA

11/27/2018 - Signing of the Declaration of San Pablo – in order to the AEO Regional Agreement of Mutual Recognition, in the ambit of the Americas, including countries of Mercosur and the Pacific Alliance



02/22/2019  
Signing with China

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