Content

Title：	Regulations Governing the Certification and Management of the Authorized Economic Operators Ch
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Content：	Chapter 1 General Provisions Article 1 These Regulations are prescribed pursuant to Paragraph 3, Article 19 of the Customs Act. Article 2 Definitions of terms used in these Regulations are as follows: 1. “Authorized Economic Operators” (AEO) refer to Economic Operators in the supply chain certified by the Customs. There are two types of AEO, namely “General Authorized Economic Operator” (AEOG) and “Security and Safety Authorized Economic Operator” (AEOS). 2. “Economic Operators in the supply chain” refer to Economic Operators perform the function of duty-payers, exporters, manufacturers, customs brokers, freight forwarders, warehouse operators, highway carriers, sea carriers, air carriers involved in the international movement of goods. 3. The “record of serious violation of regulations in the most recent three years” refers to an act of smuggling or false declaration of import/export goods committed within a three-year period prior to the application date, and as a result of such act, the amount of tax evasion (customs duties and the taxes collected on behalf of other government agencies), overpaid tax refund, or the fixed-amount fine for a single case or the aggregate of multiple cases exceeds NTD500,000, or the amount of confiscated goods value for a single case or the aggregate of multiple cases exceeds NTD1,000,000. In the event that violation is caused by other Economic Operators in the supply chain, such violation shall not be counted. Article 3 An AEO is entitled to apply for providing an affidavit as the substitute of a security of duties and charges to clear customs, provided that: 1. the AEO has been running a factory established pursuant to Factory Management Act and other relevant regulations. 2. the AEO has been running business for five years or more, with annual sales of NTD500,000,000 or more in the most recent three years, or has been running a bonded factory, or a self-management factory in one of the Science Parks, Export Processing Zones, or Agricultural Technology Parks for three years or more, with annual sales of NTD300,000,000 or more in the most recent three years and has been graded as excellent by the Customs. 3. the AEO has an annual import/export performance of USD50,000,000 or more and no record of deficit is found in each of the most recent three years;

and.
4. the AEO was not given a sanction decision notice from the Customs and meet the criteria of serious violation of regulations in the most recent three years.
Where an AEO owns both bonded and non-bonded factories and both factories are operated using the same Business Administration Number, the AEO shall, before applying for the consolidated payment by an affidavit, meet the requirements prescribed in the subparagraph 1, first part of subparagraph 2, and subparagraphs 3 and 4 of the preceding paragraph.
Those applying for the consolidated payment by an affidavit may apply to the Customs with a copy of all documents relating to factory registration and the statements of annual sales in each of the most recent three years.
Article 4 The security referred to in the Regulations shall be provided in one of the following forms:
1. Cash.
2. Bonds issued by the government.
3. Time deposit certificates issued by a bank.
4. Time deposit certificates issued by a credit cooperative.
5. An one-year or more common trust certificate issued by a trust and investment company.
6. A guarantee provided by a financial institution.
7. Any other property approved by Ministry of Finance which is easy for cashing and custody, and free from any dispute over proprietary rights.
The security furnished in any of the forms specified in Subparagraphs 2 to 5 and 7 in the preceding paragraph shall be mortgaged or pledged to the Customs.
Article 5 Categories of import and export declarations prescribed in these Regulations shall be announced by Directorate General of Customs, Ministry of Finance and published on the Executive Yuan Gazette.
AEO shall transmit, in electronic form, the declarations set forth in the preceding paragraph when handling customs clearance of import/export goods. Where the customs clearance system is not working properly, paper-based copy may be used.
Chapter 2 Qualifications, Application Procedures and Preferential Measures
Section 1 General Authorized Economic Operators
Article 6 Duty-payers or exporters entitled to apply to Customs for the certification of a AEOG shall:
1. have been awarded a medal for excellent importer/exporter or a certificate of excellent trade performance by Bureau of Foreign Trade (BOFT), Ministry of Economic Affairs (MEA); or, have been engaging in business for more than three years, with an average annual input/export performance of no less than USD7,000,000 in the most recent three years;
2. have no confirmed arrears of duties and penalty fines; have submitted commensurate security for the imposed but unconfirmed duties or penalty fines. this does not apply when this government agency does not accept security;
3. have built the import/export procedures and financial data into their computerized system, and have kept auditing record for posterior verification; and
4. have capability of online declarations, or its commissioned customs

broker has capability of online declarations.

Article 7 An economic operator applying for the certification of a AEOG shall submit the following documents to the Customs:

1. Application form stating the name, Business Administration Number, address, amount of capital, and contact person information of the applicant;

2. Each copy of basic information including the applicant and export/import business registration which may be downloaded from the websites of the Department of Commerce and the BOFT, MEA; and

3. Certificates of the applicant's annual import/export performance in the most recent three years issued by BOFT, MEA or by other agencies, private associations delegated or entrusted by BOFT, MEA; or a medal for excellent exporter/importer or a certificate of excellent trade performance awarded by BOFT, MEA.

Documents prescribed in the preceding paragraphs shall be submitted to the Customs in electronic form, except in special circumstances approved by the Customs.

Article 8 The Customs shall complete the certification process within one month from the day following the Custom's acceptance of application; however, where circumstances need, the Customs may extend the certification process period, and the applicant shall be duly informed of such extension. The extension may be taken place once only and should be no more than one month.

The status of an AEOG shall be valid for a period of three years. Status holder may submit documents set forth in the preceding article one month before expiry of the period of status validity to the original Customs which approved the status so as to reapply for certification.

Applications filed pursuant to the preceding paragraph and proved to comply with Paragraphs 3 and 4 of Article 6 by an affidavit may be exempted from Customs examination under Paragraphs 3 and 4.

Article 9 The Customs may offer the following preferential measures for the goods imported or exported by AEOG:

1. Lower random inspection rate; the rules governing summary examination set forth in the Guidelines for Examination and Inspection of Import and/or Export Goods may apply to the imported goods selected for random inspection; exported goods selected for random inspection may be exempted from inspection. However, AEOG given a sanction decision notice from the Customs due to serious violation of regulations in the most recent three years are not entitled to the aforesaid preferential measure.

2. Where imported goods may be released from the Customs with a security of duties and charges provided, and then the consolidated duties due may be paid on a monthly basis. However, this security does not apply to case of goods inspected and released by the Customs after guarantee deposit paid pursuant to Article 18 of the Customs Act.

3. AEOG meet one of the conditions set forth in Article 3 shall be entitled to apply for providing affidavit as substitute for security of duties and charges; and/or

4. May apply for release from the Customs on re-imported Made-in-Taiwan goods with a written affidavit when making declaration, and be written off from the original export declaration afterward.

Section 2 Security and Safety Authorized Economic Operators

Article 10 An Economic Operators entitled to apply to Customs for the certification of an AEOS, aside from meeting the specific function criteria for Economic Operators in the supply chain prescribed respectively in Articles 13, 16 to 22, shall:

1. have proven financial solvency or no poor credit record in the most recent three years;
2. have not been given a sanction decision notice from the Customs due to serious violation of regulations in the most recent three years;
3. have no confirmed arrears of duties and penalty fines; have submitted commensurate security for the imposed but unconfirmed duties or penalty fines. this does not apply when this government agency does not accept security;
4. have met the Authorized Economic Operator Security Vetting Items and Validation Criteria; and
5. have built the operational procedures and financial data into their computerized system, and have kept auditing record for posterior verification.

Applicants presenting the certificate issued by a domestic or foreign security validation authority/institution for having passed the examination, and verified by the Customs, may be exempted from examination concerning the criteria prescribed in Subparagraph 4 of the preceding paragraph. However, certificate obtained by the applicant’s overseas branch shall not be recognized.

The Authorized Economic Operator Security Vetting Items and Validation Criteria, and the domestic or foreign security validation authority/institution set forth in the preceding paragraph shall be announced by Directorate General of Customs, Ministry of Finance and published on the Executive Yuan Gazette.

Economic Operators operating two or more functions in the international movement of goods may apply to be certified in different functions separately or at once.

Article 11 Apart from the documents prescribed respectively in Articles 13, 16 to 22 for Economic Operators in the supply chain, an economic operator applying for the certification of a AEOS shall submit the following documents to the Customs:

1. Application form stating the name, Business Administration Number, address, amount of capital, and contact person information of the applicant.
2. Self-evaluation form for the certification application; and
3. Financial reports and statements of the most recent three years as proof of the financial solvency or relevant documents of the most recent three years as proof of no poor credit record shall be submitted.

Documents prescribed in the preceding paragraphs shall be transmitted to the Customs in electronic form according to regulations, except in special circumstances approved by the Customs.

Article 12 The Customs shall complete the certification process within three months from the day following acceptance of application; however, where circumstances need, the Customs may extend the certification

processing period, and the applicant shall be duly informed of such extension. The extension may be taken place once only and should be no more than three months.
A certified AEOS shall be issued an AEOS Certificate by Directorate General of Customs, Ministry of Finance according to the report of the certification-processing Customs.
The AEOS Certificate shall have a validity period of three years.
Certificate holders may submit documents set forth in the preceding article to the Customs three months before the validity period of the certificate expires so as to reapply for certification.
The Customs may validate the AEOS which fulfilling the requirement of self-examination in Article 27 and having completed the improvement work within the deadline set by the Customs as per Paragraphs 1 and 2 of Article 28 by means of sampling when it re-apply for certification pursuant to the preceding paragraph.
Article 13 Duty-payers or exporters meeting the criteria prescribed in Article 6 and Paragraph 1 of Article 10 is entitled to apply to Customs for the certification of AEOS by submitting documents prescribed in Subparagraphs 2 and 3 of Paragraph 1 of Article 7 and Paragraph 1 of Article 11.
Article 14 The Customs may offer the following preferential measures for the goods exported by AEOS certified with exporter function:
1. The lowest documentation examination and goods inspection rate.
2. Exported goods selected for random inspection may be exempted from inspection. Where inspection is not exempted, the goods may be given priority in inspection.
3. Set up a single contact window handling cases where goods are not released. The single contact window enables Economic Operators to make enquiry and solve problems pertaining to the customs clearance procedures.
4. May apply for non-intrusive inspection; and/or
5. Goods with a declared F.O.B. price of NTD100,000,000 may be released without documentation examination and physical inspection.
Article 15 The Customs may offer the following preferential measures for the goods imported by AEOS certified with duty-payers function:
1. The lowest documentation examination and goods inspection rate.
2. The rules governing summary examination set forth in the Guidelines for Examination and Inspection of Import and/or Export Goods may apply to the imported goods selected for random inspection, and the goods may be given priority in inspection.
3. Where imported goods may be released from the Customs with a security of duties and charges provided, and then the consolidated duties due may be paid on a monthly basis. However, this security does not apply to case of goods inspected and released by the Customs after guarantee deposit paid pursuant to Article 18 of the Customs Act.
4. AEOS meet one of the conditions set forth in Article 3 shall be entitled to apply for providing affidavit as substitute for security of duties and charges.
5. Set up a single contact window handling cases where goods are not released. The single contact window enables Economic Operators to make enquiry and solve problems pertaining to the customs clearance procedures.

6. May apply for release from the Customs on re-imported Made-in-Taiwan goods with a written affidavit when making declaration, and be written off from the original export declaration afterward.
7. May apply for non-intrusive inspection; and/or
8. Goods with a declared Customs Value of NTD100,000,000 may be released without documentation examination and physical inspection.
Article 16 Manufacturers meeting the following criteria are entitled to apply to Customs for the certification of AEOS by submitting the documents prescribed in Paragraph 1 of Article 11 and supporting documents relating to factory registration:
1. Meeting the criteria set forth in Paragraph 1 of Article 10; and
2. Established pursuant to Factory Management Act and other relevant regulations.
The Customs may offer the following preferential measures to AEOS certified with manufacturers function in Science Parks, Export Processing Zones, or Agricultural Technology Parks or Free Trade Zones:
1. Waiving the guarantee deposit for the AEOS that meets one of the following conditions:
(1) the value of bonded machinery or equipment, transported out of the park or zone for commissioned repair, test or assembling test, is under NTD10,000,000;
(2) the value of bonded goods, transported to the duty-levying areas for display, is under NTD10,000,000.
2. Reducing frequency of on-site auditing on account book and data report at the factory; and/or
3. “Bills of Material” could be vetted through paper document, on-site validation will be taken when it is necessary.
Article 17 Customs brokers meeting the following criteria are entitled to apply to Customs for the certification of AEOS by submitting the documents prescribed in Paragraph 1 of Article 11:
1. Meeting the criteria set forth in Paragraph 1 of Article 10;
2. Established pursuant to the provisions of the Regulations Governing the Establishment and Management of Customs Brokers; and
3. The annual error rate of customs declaration (the ratio of incorrect copies to total customs declaration) is not exceeding 3/1000 within one year prior to application.
The Customs may offer the lowest inspection rate for the goods with customs declaration made by AEOS with customs brokers function. However, the goods that must be inspected in accordance with related regulations can not apply to this preferential measure.
Article 18 Freight forwarders meeting the following criteria are entitled to apply to Customs for the certification of AEOS by submitting the documents prescribed in Paragraph 1 of Article 11:
1. Meeting the criteria set forth in Paragraph 1 of Article 10.
2. Established pursuant to the Regulations for Administrating Ocean Freight Forwarders, or Regulations Governing Air freight Forwarder and certified as Regulated Agent by Aviation Police Office pursuant to Civil Aviation Act; and
3. Not receiving any penalties due to violation of Civil Aviation Act and Shipping Law in the most recent three years.

Article 19 Warehouse operators meeting the following criteria are entitled to apply to Customs for the certification of AEOS by submitting the documents prescribed in Paragraph 1 of Article 11:
1. Meeting the criteria set forth in Paragraph 1 of Article 10.
2. Those applied for registration and being approved for Self-management by Customs pursuant to the Regulations Governing the Customs Management of Import and Export Warehouses, Regulations Governing the Customs Management of Container Yard, Regulations Governing the Establishment and Management of Bonded Warehouses, Regulations Governing Customs Clearance for Goods in Logistics Centers; Those applied for registration or supervision pursuant to the Management Regulations Governing Bonded Business in Export Processing Zones, Regulations Governing the Bonding Operations in Science Parks, Regulations for Bonded Operations in Agricultural Technology Parks or Regulations Governing the Operation and Management of Free Trade Zone Enterprises; and
3. Those shall be responsible to make up the import duty no more than NTD500,000 in total due to loss of goods in the most recent three years. But warehouse operators in free trade zones, harbor/airport control area, export processing zones or science parks that have been established for less than three years are not subject to the three-year restriction.
The Customs may offer the following preferential measures to certified AEOS warehouse operators :
1. While both warehouse operators and carriers with AEOS certification apply to Customs with jointly signed paper document in advance may directly conduct addition, subpackage or refit of loaded sea transit container, or rallying of its loading cargo in the transit warehouses of the warehouse operators; and/or.
2. For warehouse operators with AEOS certification in one of the Science Parks, Export Processing Zones, Agricultural Technology Parks or Free Trade Zones:
(1) may waive the guarantee deposit for bonded machinery or equipment with a value under NTD10,000,000 to be transported out of the park or zone for commissioned repair, test or assembling test.
(2) may waive the guarantee deposit for bonded goods with a value under NTD10,000,000 to be transported to the duty-levying areas for display; and/or
(3) may obtain fewer frequency of on-site auditing on account book and data report at the factory by Customs.
Article 20 Highway carriers meeting the following criteria are entitled to apply to Customs for the certification of AEOS by submitting the documents prescribed in Paragraph 1 of Article 11 and supporting documents in Subparagraph 2 below:
1. Meeting the criteria set forth in Paragraph 1 of Article 10.
2. Carriers with a motor transportation business license issued by the highway authority pursuant to the provisions of Paragraphs 7 to 9, Article 34 of the Highway Act; and
3. Those with comprehensive electronic monitoring and management system for the movement of goods.
Article 21 Sea carriers meeting the following criteria are entitled to apply to Customs for the certification of AEOS by submitting the documents

prescribed in Paragraph 1 of Article 11 and supporting documents in Subparagraph 2 below:
1. Meeting the criteria set forth in Paragraph 1 of Article 10; and
2. Established pursuant to the Regulations for Administrating Vessel Carriers and Vessel Chartering Operators.
The Customs may offer the following preferential measures to AEOS certified with sea carriers function:
1. The application of export goods to change ship and import goods to correct discharge permit may be processed electronically; and/or
2. While both carriers and warehouse operators with AEOS certification apply to Customs with jointly signed paper document in advance may directly conduct addition, subpackage or refit of loaded sea transit container, or rallying of its loading cargo in the transit warehouses of the warehouse operators.
Article 22 Air carriers meeting the following criteria are entitled to apply to Customs for the certification of AEOS by submitting the documents prescribed in Paragraph 1 of Article 11 and supporting documents in Subparagraph 2 below:
1. Meeting the criteria set forth in Paragraph 1 of Article 10; and
2. Established pursuant to Regulations of Civil Air Transport Enterprise.
Chapter 3 Management
Article 23 An AEO having been approved to provide an affidavit as the substitute of a security of duties and charges to clear customs shall apply for ratification of affidavit liability ceiling amount once a year; such application shall be submitted with the original approval Customs one month prior to the expiry of the one-year practice period, with the required documents prescribed in Paragraph 3 of Article 3. The Customs may exempt the applicant from on-site validation once a recognizance has been given by the applicant stating the documents are consistent with the previously authenticated original copies.
The affidavit liability ceiling amount mentioned in the preceding paragraph shall not exceed twice the monthly average amount of import duties and charges in the one-year period (January to December) prior to the application date.
Article 24 For AEO, whose consolidated duties and charges due of imported goods may be paid on a monthly basis, the Customs shall, prior to the fifth day of the following month, issues a duties/charges payment notice and an import declaration checklist to it; the AEO shall pay the duties and charges due within the deadline prescribed by laws.
AEO may choose to pay the duties and charges imposed on a single batch of imported goods by the end of this very month.
Article 25 Where an AEO applies for providing an affidavit as the substitute of a security of duties and charges to clear customs pursuant to Article 3, the affidavit liability ceiling amount ratified by the Customs shall be restricted to cases where consolidated duties and charges due are paid on a monthly basis pursuant to this Regulations.
Where an AEO provides a security of duties and charges pursuant to Article 4, the ceiling amount of security provided shall apply to cases where consolidated duties and charges due are paid on a monthly basis pursuant to this Regulations or to cases of post-release duties payment for import

goods pursuant to the Regulations Governing the Implementation of Post-release Duty Payment Procedures for Import Goods.
Article 26 Where AEO fall in arrears of payment of import duties and charges or receive a sanction decision notice from the Customs due to violation of regulations, the Customs may impose upon the AEO a maximum of one-year suspension, in part or in whole, of the preferential measures or the status of AEO, depending on the level of severity.
Article 27 AEOS shall perform self-examination at least once a year pursuant to the Security Vetting Items and Validation Criteria set forth in Subparagraph 4, Paragraph 1 of Article 10. The Customs may conduct random inspection from time to time.
Article 28 The Customs, upon uncovering inconformity of AEOS to the Security Vetting Items and Validation Criteria, shall issue a notice demanding the AEOS to make improvement within 30 days.
The AEOS that is incapable of making improvement within the prescribed deadline set forth in the preceding paragraph may apply to the Customs for extension; however, this extension may take place once only and should be no more than 30 days.
While the AEOS still fails to make improvement within the deadline prescribed in the preceding two paragraphs, the Customs may suspend the preferential measures in part or in whole, and demand the AEOS to make improvement within a given deadline.
Article 29 The Customs shall revoke the status of AEOS and confiscate its AEOS Certificate, or directly announce the revocation of it while failure of confiscating, provided that the AEOS:
1. being given a sanction decision notice from the Customs due to serious violation of regulations.
2. fails to make improvement within the deadline prescribed by the Customs pursuant to Paragraph 3 of the preceding article.
3. being confronted with severe deterioration of operation and financial status.
4. still fails to pay off the import duties and charges within a deadline prescribed by the Customs after being imposed a maximum of one-year suspension, in part or in whole, of the preferential measures or the status of AEOS, due to fall in arrears of payment of import duties and charges.
Once the status of an AEOS is being revoked, this AEOS is not allowed to re-apply for certification within 3 years from the date of revocation.
Chapter 4 Supplementary Provisions
Article 30 The AEO status that being certified and the affidavit liability ceiling amount being ratified by any Customs office shall be likewise applicable to all Customs.
Article 31 These Regulations shall be enforced upon the date of promulgation, except Paragraph 2 of Article 7 and Paragraph 2 of Article 11 amended and announced on December 31st, 2010, which shall be put into effect on a date separately specified by Ministry of Finance.

Data Source：Ministry of Finance, R.O.C. Laws and Regulations Retrieving System