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- Improved Clearance Program
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Saudi Customs Strategy Overview
Saudi Customs Strategy revolves around **three Pillars and four Enablers**…

“To be the first in region that provides remarkable customs services to become a global logistics hub”

**Strategic Pillars**
- Revenue Realization
- Contribute to security and cultural protection
- Prioritize customer centricity and trade facilitation

**Strategic Enablers**
- Achievement of organizational excellence
- Enhancement of the Risk Management’s effectiveness and efficiency
- Infrastructure improvement and operations’ digitization
- Enhance the organization, manage the change and communicate internally
... With **18 Programs** mapped to Pillars and Enablers

“To be the first in region that provides remarkable customs services to become a global logistics hub”

- **Strategic Pillars**
  - PCA Program
  - Taxes program
  - Assets utilization Program
  - Non-tariff revenue generation
  - Revenue collection process program
  - Security and Safety program

- **Strategic Enablers**
  - Legal affairs program
  - Internal process program
  - Assets utilization Program
  - Risk management program

- **Infrastructure program**
- **Digitization program**
  - Governance and Org. design Program
  - Work environment & innovation program
  - Attract, develop and retain talent
Improved Clearance Program (ICP)

- Overview of ICP for Seaports Imports
- Overview of ICP for Seaports Exports
Overview of Improved Clearance Program for Seaports Imports
The ICP is based on **two main pillars**; Pre-arrival electronic submission and Completing inspection within 24 hours.
The Improved Clearance Program introduces various radical changes over five dimensions

<table>
<thead>
<tr>
<th>Number</th>
<th>Category</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Business Environment</td>
<td>• Reduce number of required documents and accept copies only&lt;br&gt;• Waived documents translation and attestation&lt;br&gt;• Accept English Manifest at initiation&lt;br&gt;• Remove penalties for changes / updates in the manifest</td>
</tr>
<tr>
<td>2</td>
<td>Process Re-engineering</td>
<td>• Motivate advance initiation of the clearance process (Pre-arrival processing)&lt;br&gt;• Activate working in parallel mechanism&lt;br&gt;• Apply X-ray on discharge technique&lt;br&gt;• Activate pre-selection of shipments for manual inspection</td>
</tr>
<tr>
<td>3</td>
<td>Automation</td>
<td>• Usage of tablets for manual inspection&lt;br&gt;• Introduce notification system&lt;br&gt;• Establish systematic linkage with operators &amp; government entities&lt;br&gt;• Stimulate a paperless environment</td>
</tr>
<tr>
<td>4</td>
<td>Transparency and Accountability</td>
<td>• Establish KPIs &amp; SLA agreements&lt;br&gt;• Introduce escalation mechanism&lt;br&gt;• Published HS tariff codes in Customs website&lt;br&gt;• Introduce tracking system for shipments&lt;br&gt;• Revise penalties system&lt;br&gt;• Activate PCA&lt;br&gt;• Publish ports handling fees</td>
</tr>
<tr>
<td>5</td>
<td>Resource Deployment</td>
<td>• Increase customs operations working hours&lt;br&gt;• Establish X-ray analytics unified rooms</td>
</tr>
</tbody>
</table>
Changes introduced in Saudi Customs business environment shows that we have **limited the required documents to only two**.
Overview of Improved Clearance Program for Seaports Exports
Overview of Improved Clearance Program for Seaports Exports

Prior vessel arrival

- 24 Hrs.

Final Clearance

0 Hrs.

Vessel departure

Shipping agents uploads Manifest

Custom Broker files declaration

Manifest uploading

Declaration filing

Receiving and reviewing compliance

Clearance type?

Direct Clearance

Offloading and handling

Inspection

Payment & Pickup

Manual Coverage

Movement to Operator’s yard

Preparation of containers for loading

Inspection Section

Specialized Sections

Receiving and review section

Container Gate-in

Gate-in X-ray inspection

Manual Inspection

External Entities

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Single Window
Overview of FASAH single window platform

www.FASAH.sa

FASAH operates through 3 main systems that allow it to serve the Import and Export Ecosystem

- Clearance Portal
- Entity Integration
- Online Services

FASAH integrates over 25+ entities that play a role in Import and Export ecosystem. Major players being SFDA, MEWA and others

FASAH offers a range of 100+ online services to a wide range of Import and Export beneficiaries

Key Services
- Manifest Submission
- Declaration creation and submittal
- Single Payment Portal
- MASAR Tracking System

Key Beneficiaries
- Importers and Exporters
- Shipping Agents
- Port Operators
- Public Sector
- Clearing Agents (Brokers)
This service allows stakeholders to track by Containers and/or Bill of Lading for all modes (Sea, Air, Land)…

### MASAR Tracking System

<table>
<thead>
<tr>
<th>Manifest Number</th>
<th>Manifest Date</th>
<th>Bill Number</th>
<th>Bill Date</th>
<th>Bill Status</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>4425</td>
<td>20/11/2017</td>
<td>MASAR21716372</td>
<td>DD/MM/YYYY</td>
<td>ACCEPTED</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Manifest Submission</th>
<th>Arrived to Port</th>
<th>Submitted Declaration</th>
<th>Inspection Start</th>
<th>Ready to Release</th>
<th>Fully Released</th>
</tr>
</thead>
<tbody>
<tr>
<td>DD/MM/YYYY</td>
<td>DD/MM/YYYY</td>
<td>DD/MM/YYYY</td>
<td>DD/MM/YYYY</td>
<td>DD/MM/YYYY</td>
<td>DD/MM/YYYY</td>
</tr>
</tbody>
</table>

**MANIFEST DETAILS**  
- Declaration Number: 175386
- Declaration Date: DD/MM/YYYY
- Declaration ISN: 3709319
- Declaration Status: Fully released

#### Declaration Status

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Status Description</th>
<th>Status Date Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Declaration submission</td>
<td>DD/MM/YYYY 01:44 PM</td>
</tr>
<tr>
<td>2</td>
<td>Declaration submission status: Accepted with Inspection</td>
<td>DD/MM/YYYY 01:45 PM</td>
</tr>
<tr>
<td>3</td>
<td>Amendment BY CUSTOMS</td>
<td>DD/MM/YYYY 10:40 AM</td>
</tr>
<tr>
<td>4</td>
<td>Declaration inspection instruction received</td>
<td>DD/MM/YYYY 10:41 AM</td>
</tr>
<tr>
<td>5</td>
<td>Amendment BY CUSTOMS</td>
<td>DD/MM/YYYY 08:22 AM</td>
</tr>
<tr>
<td>6</td>
<td>Amendment BY CUSTOMS</td>
<td>DD/MM/YYYY 10:46 AM</td>
</tr>
</tbody>
</table>
This service allows all interested parties and public to view customs data, which enables transparency and clarity...

<table>
<thead>
<tr>
<th>Open Data</th>
<th>Published: Saudi Company for the Electronic Information Exchange</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total No of imported Declaration in years</strong></td>
<td>2019-03-04</td>
</tr>
<tr>
<td><strong>Modified Date</strong></td>
<td>2019-03-04</td>
</tr>
<tr>
<td><strong>Published Date</strong></td>
<td>2019-03-04</td>
</tr>
<tr>
<td><strong>Total No of Exported Declaration in years</strong></td>
<td>2019-03-04</td>
</tr>
<tr>
<td><strong>Modified Date</strong></td>
<td>2019-03-04</td>
</tr>
<tr>
<td><strong>Published Date</strong></td>
<td>2019-03-04</td>
</tr>
<tr>
<td><strong>Total Value of Imported Declaration by Countries groups in years</strong></td>
<td>2019-03-04</td>
</tr>
<tr>
<td><strong>Modified Date</strong></td>
<td>2019-03-04</td>
</tr>
<tr>
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</tr>
<tr>
<td><strong>Published Date</strong></td>
<td>2019-03-04</td>
</tr>
<tr>
<td><strong>Top 10 item countries by No of imported Declarations by years</strong></td>
<td>2019-03-04</td>
</tr>
<tr>
<td><strong>Modified Date</strong></td>
<td>2019-03-04</td>
</tr>
<tr>
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</tr>
<tr>
<td><strong>Published: Saudi Company for the Electronic Information Exchange</strong></td>
<td>2019-03-04</td>
</tr>
</tbody>
</table>

This table lists various data related to customs declarations, including total numbers of imported and exported declarations, and value of declarations by countries groups for different years. The data is available for download.
Bonded Zones
Key additional services included in bonded zones

- **Support local Exports**: Allowing export shipments into the bonded zone and proceeding with the customs procedure without defining a final destination.

- **Value Added Services**: Including labelling, packaging, branding, etc.

- **Product Assembly**: Allowing deposit and importation of parts and assembling it in the bonded zones.

- **Foreign Investor**: The ability to store goods in the bonded zone without the need of a local commercial registration for the foreign investor.

- **Transshipment**: Allowing entry of transshipment containers into the bonded zones.

- **Bonded Corridors**: Connecting bonded zones with other customs ports (land, sea, and air).
Bonded Zone spread across Saudi Arabia

Active Bonded Zones

Inactive Bonded Zones

*Rabegh to be Activated by 2020*
Authorized Economic Operator (AEO) program
Overview of AEO

What is the Authorized Economic Operator Program?

A program based on the concept of partnership between customs and business enterprises that enhances the security of the global supply chain, while providing more benefits to facilitate trade.

SAFE Framework

It is a global standard and is also part of the SAFE Framework published by the World Customs Organization since 2005.

Kyoto Convention

It is one of the components of Kyoto Convention that was published by WTO for Trade Facilitation on February 2017.

AEO Beneficiaries

The program offers many benefits to commercial enterprises that are authorized based on their compliance with number of criteria.

- Exporters
- Distributors
- Couriers
- Shipping Agents
- Importers
- Clearing Agents
## Overview of AEO Requirements

<table>
<thead>
<tr>
<th>Compliance</th>
<th>Financial Standing</th>
<th>Records Archiving</th>
<th>Security requirement</th>
<th>General Requirements</th>
</tr>
</thead>
</table>
| • Demonstrated Compliance, Not have committed, over 3 years an infringement/offence as defined in national legislation  
• Have not committed significant customs violations over the past 3 years | • No current financial insolvency  
• Fulfillment of customs clearance financial commitments  
• Proof of ability to repay future financial service | • Providing an electronic system suitable for keeping track of electronic records and documents  
• Application of general accounting principles that comply with national regulations and procedures  
• Availability of records and documents for customs post clearance audit | • Availability of internal risk assessment mechanism  
• Ensure the safety of buildings and facilities  
• Regulation and control of entry and exit of buildings and facilities | • Policy for continuous training for the staff  
• Policy for self-audit of businesses  
• Provides an IT security policy |
# Overview of AEO Benefits

<table>
<thead>
<tr>
<th>Procedural Benefits</th>
<th>Administrative Benefits</th>
<th>Financial Benefits</th>
<th>Other Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Dedicated fast lane at the border</td>
<td>• Dedicated Key Account Manager coordinating with Customs and OGA</td>
<td>• Exempted from paying administrative fees and charges (i.e. application fee, annual fee for customs warehouse etc)</td>
<td>• Member of the AEO Customs Consultative Group</td>
</tr>
<tr>
<td>• Advanced ruling</td>
<td>• Service outside normal office hours free of charge</td>
<td>• AEO are preferential partners for PPP and outsourcing opportunities.</td>
<td>• MRA benefits</td>
</tr>
<tr>
<td>• Possibility to clear goods prior to arrival</td>
<td>• Prioritized when applying for Customs or OGA authorizations</td>
<td></td>
<td>• Publish Name of Members on Customs website</td>
</tr>
<tr>
<td>• Possibility to have the goods released before payment.</td>
<td>• Not required to present supporting documents for release of goods</td>
<td></td>
<td>• Marketing package including use of AEO logo.</td>
</tr>
<tr>
<td>• Prioritized declaration processing</td>
<td></td>
<td>• Marketing package including use of AEO logo.</td>
<td>• Access to Industry information from Customs.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Possibility for Customs and OGA inspections at location suggested by the AEO</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• (Virtual) customs warehouse</td>
<td></td>
</tr>
</tbody>
</table>
Overview of AEO Timeline

- May 2017: Project Start
- July 2017: Approval of AEO policy
- Sept 2017: Finalization of program design and announcement
- Nov 2017: Approval of first AEO company
- Dec 2017: Official Program launch
- Nov 2018: First mutual recognition agreement (MRA)
- 2018: 75 AEO’s, 1 MRAs
- 2019: 300 AEO’s, 5 MRAs
- 2020: 500 AEO’s, 8 MRAs
- 2021: 150 AEO’s, 3 MRAs
- 2022: 400 AEO’s, 7 MRAs
Other Initiatives
Other Initiatives

| Advanced Ruling         | • Q4 2018 for AEO  
|                        | • Q1 2019 for all  
|                        | • Classifications (Phase 1)  
|                        | • Expand to Origin and Value |
| Revised Brokerage Bylaws | • Previously restricted to Saudi individuals  
|                        | • Expanded to corporates and logistics players  
|                        | • Door to Door service including brokerage for your preferred freight forwarder |
| Restriction Process Streamlining | • Streamline Restriction Process  
|                        | • Review required documentations  
|                        | • Pre-arrival Processing  
|                        | • Increase transparency  
|                        | • Automate through single window (Fasah.sa)  |
Thank you

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