

**Business Facilitation Advisory Committee
Wholesale and Retail Task Force**

***Hong Kong Authorized Economic Operator (AEO) Programme and other
trade facilitation measures***

Purpose

This paper aims to provide information to Members on the Hong Kong Authorized Economic Operator (AEO) Program and other trade facilitation measures administered by the Customs and Excise Department.

Background

2. Customs and Excise Department, Hong Kong, China (C&ED) strives to balance law enforcement and trade facilitation in order to uphold Hong Kong's status as an international trading and logistics hub. To further develop business opportunities of the local industry, C&ED actively promotes a series of trade facilitation schemes including "Hong Kong Authorized Economic Operator Programme", "Free Trade Agreement Transshipment Facilitation Scheme", "Single E-lock Scheme", "Cross-boundary Express Cargo Clearance Facilitation Arrangement" and "Air-Land Fresh Lane". The diverse benefits of these initiatives, including expedited customs clearance process and reduced customs inspection, enhance the industry's competitiveness.

"Hong Kong Authorized Economic Operator (AEO) Programme"

3. AEO is a concept under the World Customs Organization (WCO) SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework). It represents a Customs-to-Business partnership to enhance international supply chain security and facilitate movement of legitimate goods. Around 100 economies worldwide have launched AEO Programme, including HK's major trading partners.

4. The Hong Kong AEO Programme has been launched since April 2012 and is administered by C&ED under an open and voluntary certification regime. Local companies of different sizes which have met pre-determined security standards will be accredited as AEOs, and enjoy appropriate Customs

facilitation. As of December 2025, there have been 92 companies accredited HKAEOs.

5. Besides, C&ED has been exploring opportunities for developing mutual recognition arrangements (MRAs) with other Customs administrations to further enhance the competitiveness of AEOs in Hong Kong with diversified benefits granted by overseas countries. As of December 2025, C&ED has concluded AEO MRAs with 18 economies, namely Chinese Mainland, India, Korea, Singapore, Thailand, Malaysia, Japan, Australia, New Zealand, Israel, Canada, Mexico, Indonesia, Macao, China, Bahrain, South Africa, Saudi Arabia and Peru.

Accreditation Standard and Eligibility

6. To cater for different stakeholders of the industries under this partnership Programme, C&ED will grant AEO status to qualified companies in two tiers. This tiered accreditation will be awarded according to their level of compliance with pre-determined criteria set out as follows:

<u>General Criteria</u>	Tier 1	Tier 2
(i) Customs Compliance	✓	✓
(ii) Maintenance of Commercial Records	✓	✓
(iii) Financial Soundness	✓	✓
<u>Security & Safety Criteria</u>		
(iv) Premises Security & Access Control	✓	✓
(v) Personnel Security	✓	✓
(vi) Cargo Security	✓	✓
(vii) Conveyance Security	✓	✓
(viii) Business Partner Security	✓	✓
(xi) Security Education & Training	✓	✓
(x) Information Exchange, Access & Confidentiality	✓	✓
(xi) Crisis Management & Incident Recovery	-	✓
(xii) Measurement, Analysis & Improvement	-	✓

7. Eligibilities of applying the programme set out as follows:
- (i) All stakeholders involved in the international supply chain (e.g. manufacturers, importers, exporters, freight forwarders, warehouse operators, carriers, etc.); and
 - (ii) Company established for at least two years

Benefits

8. Encouragement for industries to ensure integrity of their security practices when engaging in the supply chain. It also helps optimize the management of assets and functions within a company. While performing self-assessment during the initial stage of AEO application, individual companies are able to streamline their operations to achieve better output.

9. Besides, being a Hong Kong AEO can enjoy other trade facilitations including reduced Customs inspection, prioritized Customs clearance, strengthened competitiveness and marketability, etc.

“Free Trade Agreement Transshipment Facilitation Scheme” (FTA Scheme)

10. The Chinese Mainland has been proactive in establishing Free Trade Agreements (FTAs) and Preferential Trade Agreements with different countries and regions in recent years. It is stipulated in the FTAs and Preferential Trade Agreements that consignments routed through a third place can also be regarded as direct consignments/transport and are qualified to apply for tariff reduction under certain circumstances, in particular, if they remain under the control of Customs or designated authorities in the third place.

11. To further facilitate more transshipment cargo in Hong Kong to be qualified for preferential tariff under the Agreements, C&ED has launched the FTA Scheme since December 2015. As of December 2025, the coverage of the FTA Scheme has been extended to 23 FTAs and Preferential Trade Agreements signed by the Chinese Mainland. This voluntary scheme provides traders with Customs supervision service and issues “Certificate of Non-manipulation” to certify transshipment cargo that have not been undergone any further processing during their stay in Hong Kong.

Eligibility

12. Eligibility of applying the scheme sets out as follows:

- (i) Holder of Hong Kong Business Registration Certificate.

Benefits

13. The importing signatory countries/region can check the consignments against the information provided on the “Certificate of Non-manipulation” issued by C&ED when considering an application for preferential tariff. Trader has the responsibility to provide the importing signatory countries/region with the Certificate of Non-manipulation or documents supporting their eligibility to apply for preferential tariff. Applicant would be eligible for the tariff concession when the application is considered.

“Single E-lock Scheme” (SELS)

14. C&ED has launched the Single E-lock Scheme (SELS) together with the Mainland Customs since March 2016. Under the SELS, ITFS is interconnected with the Speedy Customs Clearance System (SCC System) of the Mainland Customs to build a “green lane” for facilitating logistics flow through seamless clearance service. As of December 2025, the SELS has covered 93 clearance points, including 65 in Guangdong province, 4 in Hunan province, 7 in Fujian province, 4 in Macao and 13 in Hong Kong, providing the trade with over 1 000 routes for conveying transshipment cargo across the boundaries.

Eligibility

15. Eligibility of applying the scheme sets out as follows:
- (i) Shippers or carriers shall be the registered users of both ITFS of C&ED and SCC System of the Mainland Customs;
 - (ii) Vehicles shall be installed with accredited e-lock and GPS equipment by all Customs authorities; and
 - (iii) For joining the Guangdong-Hong Kong-Macao Three-Places-One-Lock Scheme, shippers or carriers are required to submit applications to both Hong Kong and the Macao Customs, while fulfilling their regulatory requirements.

Benefits

16. One single e-lock and the technology of GPS as accredited by both Customs authorities are applied under the SELS on the principle of “Across the Boundary with One Single E-lock under Separate Monitoring” and hence

duplicate inspection on the same shipment by both Customs authorities at the boundary would be reduced, which helps streamline the clearance process and expedite the flow of transshipment cargoes.

“Cross-boundary Express Cargo Clearance Facilitation Arrangement” (CEFA)

17. In response to the increasing volume of cross-boundary shipments driven by the growth of e-commerce, C&ED launched the Cross-boundary Express Cargo Clearance Facilitation Arrangement (CEFA) since December 2024 to facilitate the customs clearance for inbound express cargo through land boundary control points by the adoption of innovative Customs clearance model of “Free flow through the first line and control at the second line”. CEFA aims to facilitate the clearance of inbound land express cargoes by deferring Customs inspection at designated clearance point(s) inside Hong Kong. By leveraging advance cargo information for risk-profiling and employing satellite tracking technology to enhance the security of the logistics chain, selected express cargoes can be inspected by Customs officers at designated clearance point(s) at express cargoes carrier’s premises. Consequently, the time-consuming unloading and reloading procedures at the LBCPs could be significantly reduced.

Eligibility

18. Eligibilities of applying the scheme set out as follows:

- (i) Authorized Economic Operator (AEO) accreditation in Hong Kong;
- (ii) Users of Road Cargo System (ROCARS) or other systems as designated by C&ED, with accurate cargo information submitted in formats specified by C&ED;
- (iii) Customs E-lock User; and
- (iv) Credible operators with secured supply chain policy that meets the requirements of C&ED.

Benefits

19. CEFA can help streamline the clearance process and expedite the flow of transshipment cargoes.

“Air-Land Fresh Lane” (ALFL)

20. To further promote the development of the Guangdong-Hong Kong-

Macao Greater Bay Area and be in line with the General Administration of Customs of the People's Republic of China's support in expanding the food industry in the Mainland into overseas markets, while simultaneously bringing more overseas' high-quality fresh food products into the Mainland, C&ED, in collaboration with the Food and Environmental Hygiene Department, the Airport Authority Hong Kong, the Mainland Customs, and the Zhuhai Municipal Government, has formulated an "Air-Land Fresh Lane" (ALFL) initiative by leveraging on the unique geographical advantages of the Hong Kong-Zhuhai-Macao Bridge and the Hong Kong International Airport to further promote the air-land intermodal transshipment cargoes since April 2025. By applying advanced technology and streamlined clearance procedures, this initiative can expedite the movement of fresh products between the west of the GBA and overseas, thereby promoting the trade development in the region.

Eligibility

21. Eligibilities of applying the scheme set out as follows:
 - (i) Consignment on a through tranship air waybill for the air-land transshipment cargo; and
 - (ii) Use of cross-boundary vehicles registered under the "Intermodal Transshipment Facilitation Scheme" and installed with accredited e-lock cum GPS equipment.

Benefits

22. ALFL can help streamline the clearance of the Mainland and Hong Kong, reduce the possibility of being repeatedly inspected within the territory and preserve the freshness of perishable goods by equipping with temperature-controlled facilities at clearance points.

Advice Sought

23. Members are invited to note the content of this paper for information.

Customs & Excise Department
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