



# WTO TFC October 2018

## - The EU Authorised Economic Operator (AEO) Programme -



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# AEO – Key elements

- 1. Concept**
- 2. General Principles**
- 3. Criteria and Benefits**
- 4. Statistics**
- 5. Lessons learned**
- 6. Cooperation with other government authorities**
- 7. International Cooperation (Mutual Recognition)**



## 1. The AEO Concept

The AEO concept is based on the Customs-to-Business partnership introduced by the WCO. This implies that the relationship between customs and AEO should be always based on the principles of **mutual transparency, correctness, fairness and responsibility**. Customs expects the AEO to act in line with customs legislation and to inform customs about any difficulties to comply with the legislation. Customs should provide support to achieve this.

## 2. General Principles (1)

- *EU AEO programme is fully **operational since 1 January 2008***
- ***Partnership** between customs and economic operator*
- *Traders who **voluntarily meet certain criteria** laid down in the EU Customs Legislation work in close cooperation with customs authorities to assure the common objective of supply chain security and are entitled to **enjoy benefits** throughout the EU.*

## 2. General Principles (2)

- *The AEO status is open to **all supply chain actors***
- *The AEO status is **recognised in all 28 EU Member States***
- *There is **unlimited validity**, but **robust monitoring***

## 2. General Principles (3)

- *Two different types of authorisations*
- ✓ ***AEO for Customs Simplifications (AEOC)***
- ✓ ***AEO for Security and Safety (AEOS)***
- *Each type of authorisation requires the fulfilment of specific criteria and offers different **benefits**.*
- *Both types may be held at the same time resulting in one **combined authorisation**.*

## 2. General principles (4)

- **Uniform implementation** through a harmonised approach
  - EU AEO Guidelines
  - AEO Network
  - AEO Helpdesk
  - EU Economic Operators Systems (EOS database)
  - AEO E-Learning tool
- Focus: **Sustainability** of the programme
  - Ongoing exchanges between COM and MS
  - Monitoring exercises
  - Regular update of the AEO Guidelines

## 3. AEO Conditions/Criteria and Benefits (1)

Conditions and criteria	AEOC	AEOS	Benefits
Economic operator	X	X	Fewer controls
Established in EU	X	X	Prior notification
Compliance	X	X	Priority treatment
Record keeping	X	X	Request for place for control
Financial solvency	X	X	Indirect benefits
Competence & qualification	X		Customs simplifications
Security & Safety		X	Mutual Recognition



## 3. AEO Conditions/Criteria and Benefits (2)

*AEO benefits:*

*fewer physical and documented based controls*

- ✓ The AEO status is always taken into account into the risk management system
- ✓ A lower risk score should be incorporated into the risk management system but the level of reduction of security and/or customs controls can vary depending on the role and responsibility of the AEO in the particular supply chain

**However:**

- ✓ The customs authority controls shipments of an AEO in order to take into account a specific threat or control obligations set out in other EU legislation (e.g. related to product safety)
- ✓ The benefit is related with the overall risk assessment done for a particular transaction. Thus means than other risk indicators might trigger the necessity for a control do be done (e.g. sensitive country of origin)



## 4. The EU AEO Programme - Statistics – (1)



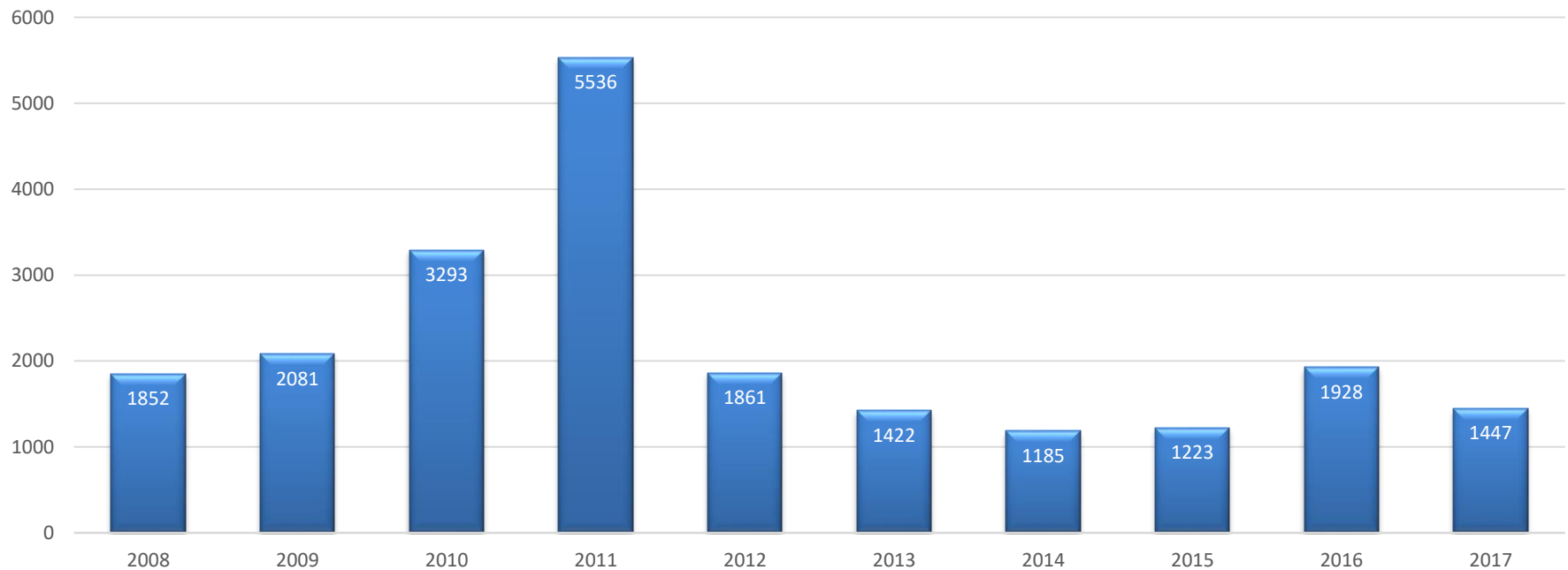
**As of 31.07.2018**

- **Applications accepted: 22 611**
- **Authorisations issued: 19 879**
- **Authorisations valid: 16 808**



## 4. The EU AEO Programme - Statistics - (2)

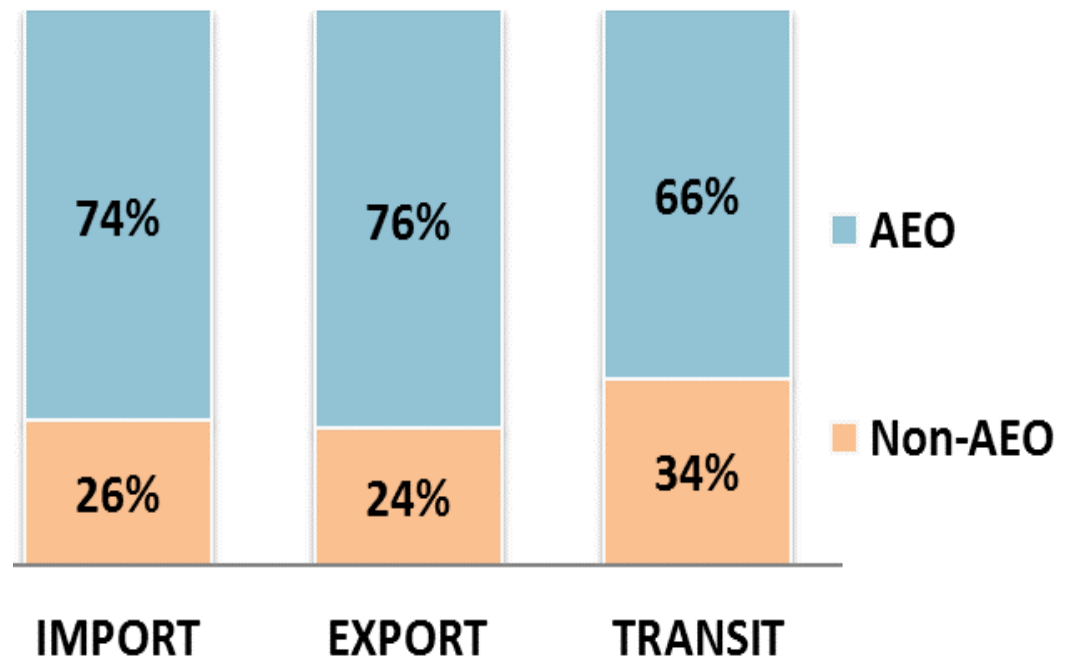
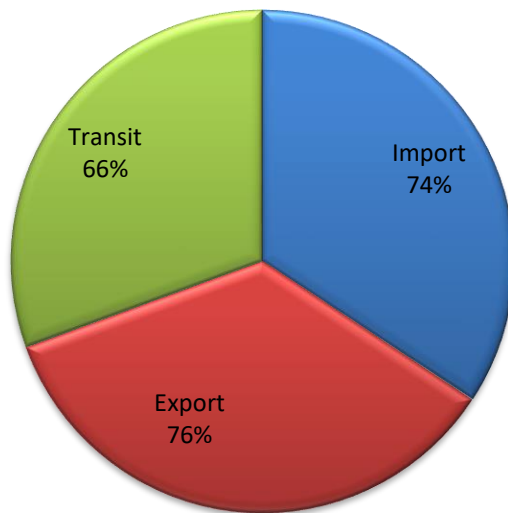
### Applications accepted in period 01.01.2008 – 31.12.2017





### 3. The EU AEO Programme - Statistics - (3)

#### Involvement of AEOs in the supply chain (31.12.2017)



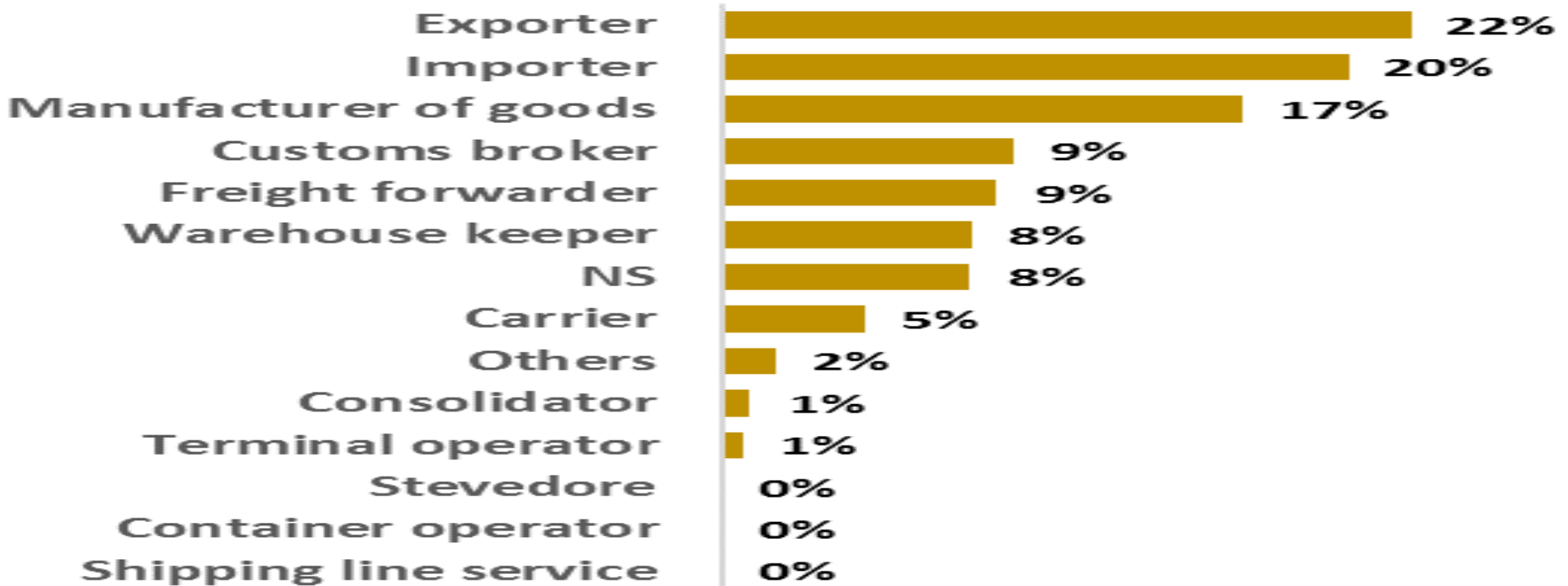


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### 3. The EU AEO Programme - Statistics - (4)

## AEO in the supply chain





## 5. Lessons learned

- *Appropriate **legal background** is "a must", but **only the first step!***
- *Creation of further **practical guidance** is "key"!*
- *Uniform application should be **monitored at a continuous basis!***
- ***Communication and collaboration** ensure a successful partnership*

## 6. Cooperation with other government authorities (1)

*Cooperation with other competent authorities and alignment of programmes*

- *to ensure global supply chain security*
- *to avoid duplication of efforts and costs for authorities and economic operators*



## 6. Cooperation with other government authorities (2)

### Areas addressed at EU level

- *Aviation sector – AEO/RA/KC/AC*

#### *Ongoing discussions on:*

- *Maritime sector – AEO/ISPS*
- *Product safety*
- *Agricultural products*
- *Dual use goods – export control*





## 7. International cooperation (1)

### *Mutual Recognition of AEO Programmes*

- *Key element to strengthen end to end security of international supply chains*
- *Trade facilitation for legitimate and secure operators through **granting substantial, equal and reciprocal benefits to AEOs in partner countries under compatible programmes.***



## 7. International cooperation (2)

### ***The EU experience***

- ***EU current mutual recognition agreements:***
  - **Switzerland – 1 July 2009**
  - **Norway - 1 July 2009**
  - **Japan –24 May 2011**
  - **United States of America – 4 May 2012**
  - **People's Republic of China – 16 May 2014**

**!!! THANK YOU FOR YOUR ATTENTION !!!**

