



**CONFEDERATION INTERNATIONALE DES
AGENTS EN DOUANE**



*2019 INTERNATIONAL CONGRESS ON THE
AUTHORIZED ECONOMIC OPERATOR
AEO in Global Supply Chains*

*Trade Facilitation and Integrity for AEO Operator
Barcelona 27 June 2019*

AEO Authorization

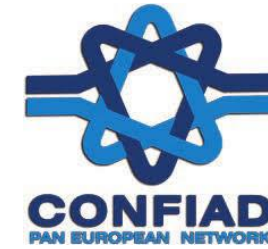


It is a certification released by European Customs Administrations and by European Union and states that the economic operator complies with the requirements of reliability defined by the Union Code n. 952/2013 art. 39.

Validity within the Union

It is needed in the logistics chain by :

- Importer
- Exporter
- Transporter
- Warehouse Keeper
- Customs representative



- AEOC – Customs Simplifications;
- AEOS – Security and Safety;
- AEOC/S – Customs Simplifications/Security and Safety

Authorization Process



Authorization based on models and guidelines established at European level using audit model

European Commission



Central Customs Administration of
the Member States



Customs Offices
Auditors

- Self-evaluation questionnaire
- Application Submission

Activity of Audit:

- It is not a tax audit
- It is not invasive and is based collaboration relationships between operator/Customs
- The analysis of the requirements takes place through a partnership relationship between the Company and the Administration
- The meetings are agreed with the Company
- The appointed officials act as auditors
- At the end of the audit an audit report is drawn up with potential corrective actions

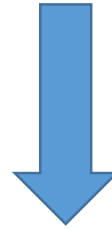
Article 39 UCC Requirements assessment

- a) absence of any serious infringement or repeated infringements of customs legislation and taxation rules, including no record of serious criminal offences relating to the economic activity of the applicant;
- b) demonstration by the applicant of a high level of control of his or her operations and of the flow of goods, by means of a system of managing commercial and, where appropriate, transport records, which allows appropriate customs controls;
- c) financial solvency, which shall be deemed to be proven where the applicant has good financial standing, which enables him or her to fulfil his or her commitments, with due regard to the characteristics of the type of business activity concerned;
- d) with regard to the authorization referred to in point (a) of Article 38(2), practical standards of competence or professional qualifications directly related to the activity carried out;



Requirements:

- Compliance with Customs legislation and taxation rules, including no records of serious criminal offences relating to the economic activity of the applicant (conformity);
- Appropriate measures of control that prevent infringements and mistakes;
- for the AEOC, compliance with practical standards of competence or professional qualifications directly related to the activity carried out;
- Accounting appropriate to the size of the company;
- Security systems that allow the storage of personal data and the safety of goods.



Benefits

Audit advantages

- Discussion on the company's strengths and weaknesses
- Evaluation and joint solutions with the team to improve the procedures of the company
- Free audit
- Final assessment of the value of the company
- Possibility of adopting solutions that reduce the costs of production and management of one's own company

- Choice of the place of checks

- Fewer physical and documentary checks

The reductions applied take on a different weight in relation to the number of AEO operators that make up the logistics chain

- Level A (reliable) reduction on goods and document checks between 10-50%;
- AA level (very reliable) reduction on goods and document checks between 51-90%;
- Further reductions in controls:
 - Intra VAT
 - Audit reviews

- Priority handling of shipments if selected for inspection

Advantages for the operator

- ❑ Prior notification of security checks
- ❑ Planned checks
- ❑ Lower demurrage costs at terminals or warehouses
- ❑ Efficient warehouse management for arrivals and departures
- ❑ Distribution and delivery management
- ❑ Supply security of production
- ❑ Reduced number of data to be provided in summary declarations
- ❑ Minor checks to obtain the authorizations required by the UCC
- ❑ Recognition as a reliable and certified operator even in non-EU countries
- ❑ Ease in selling one's own products abroad
- ❑ Lower parking costs for goods once they arrive in the customer's country

Mutual Recognition

- Operational since May 2011:
 - Japan AEO Japan
- Operational since 1st July 2012:
 - United States C-TPAT
- Operational:
 - Norway AEO Norway
 - Switzerland AEO Switzerland
- Operational :
 - China Mutual recognition program
- In course
 - Russia Implementation phase

The Customs Broker's role

- **Part II Section IV of the guidelines TAXUD/B2/047/2011 – Rev. 6**

Practical Standards of Competence or professional qualifications directly related to the activity carried out

Customs agents are responsible for the applicant's Customs matters when performing Customs formalities

The complexity and the continuous evolution of Customs legislation oblige companies to turn to external professionals. This option may be more cost-effective than internal operations for reasons of economic scope, knowledge, technology and the stimulus provided by competition in the private sector.

Support mainly to SME

Pre – Audit through the self-assessment questionnaire

Identify problems related to any disputes

- Customs
- Tax

Check the reasons

Propose a corrective action:

- Identification of a contact person in charge
- Propose refresher courses

Understanding security analysis

The expert in Customs matters and in European IT systems can guarantee SME

- Computer data security analysis
- Analysis of the safety of places and accesses
- Supplier security analysis required for security declarations
- Analysis on the safety and competence of the hired personnel

Conclusions

AEO C

Custom Broker

Custom Administration



Customs Compliance

Safety and security in the logistics chain



Thank you for your kind attention

Massimo De Gregorio