



LOGISTICS
WORLDWIDE

- International Sea Freight
- International Air Freight
- Export Forwarding and Import Customs Procedure
- Logistics & Fulfillment Services
- Automotive

AEO

Authorised Economic Operator





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Content

- What is AEO
 - Background
 - Kinds of AEO
 - Advantages
 - How to apply for AEO
 - Prospect



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What is AEO

Enterprises involved in international trade and commerce may apply for customs for the status of AEO.

AEO – or Authorised Economic Operator – is an approval granted by European customs to enterprises which proved to ensure certain security and work flow standards and therefore can make use of advantages regarding customs affairs.

An AEO certificate is valid in all EU Member States.

It is seen as a kind of seal of quality which offers further advantages to those who possess the AEO-Status but no disadvantages to enterprises that do not make use of this approval. Therefore featuring the AEO-Status offers competitive advantages.



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Background

Since September 11, 2001, much attention has been focused on international safety and security measures.

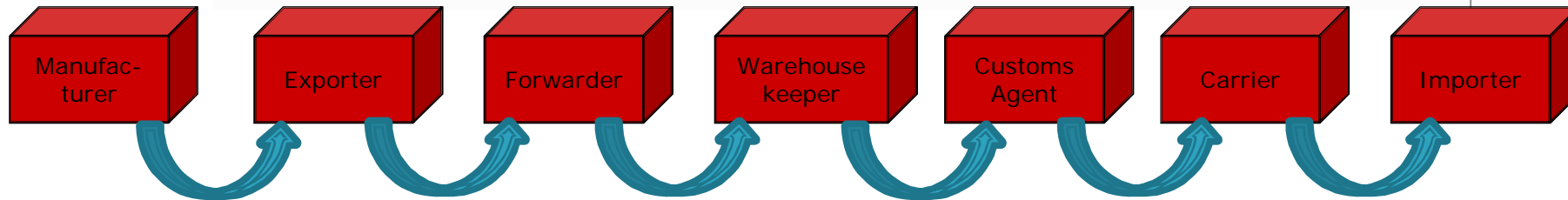
Due to fast increasing international trade within the last years work for customs has risen incredibly. It is not possible any more to check each container, each cargo physically. Therefore customs need to concentrate on shipments that bear higher risks. To determine risk areas a concept of 'safety and security' has been developed and included in the European customs legislation.

Enterprises and their suppliers involved in EU cross-border movements of goods will have to comply with this new legislation. When introducing this new legislation the European Union intends to offer the business sector better facilities. These facilities should result in the reduction of logistic delays and administrative burdens. As of September 2007 enterprises may therefore apply for the status of AEO.



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Background



Concept of safety and security:

The concept of safety and security intends to identify high risk shipments as early as possible as well as to identify traders that offer a high risk degree of security guarantees in respect of their role within the supply chain.

This concept places the responsibility of safety and security on the private sector. Private enterprises have to ensure security and safety standards at the place of origin and during the whole supply chain.

By applying for AEO private enterprises prove their compliance of required standards and being a secure part of the supply chain.

Therefore shipments under AEO require less inspections and document checks, so customs can focus on high risk shipments and traders.



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Advantages

Depending on the kind of certificate which has been applied for European customs grants several advantages:

- Less physical inspections and document checks
- If physical inspections are due to the risk analysis still essential, owners of an AEO certificate are treated preferentially
- Owners of AEO may request controls to be carried out at a certain place
- When applying for subsequent licences owners of AEO do not have to prove the same criteria again
- Possibility of prior notifications of controls
- Possibility to submit a summary declaration



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Kinds of AEO

There are three different kinds of AEO certificates to apply for:

1. The Customs simplifications certificate (C)

Customs grants preferential customs clearance, less inspections and easier applications for customs simplifications.

2. The Security and Safety certificate (S)

Customs grants advantages such as summary customs entries with reduced data records, less inspections and preferential treatment for inspections.

3. A combined Customs simplifications and Security and safety certificate (F)

Here all advantages are granted by customs. As it is a combination of C and S all requirements have to be fulfilled.



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How to apply for AEO

1468 companies within the EU have already applied for AEO.

Country	Number	Country	Number
Austria	86	Latvia	4
Belgium	34	Lithuania	5
Bulgaria	3	Luxembourg	5
Cyprus	1	Malta	3
Czech Republic	47	Poland	46
Denmark	16	Portugal	6
Estonia	7	Romania	7
Finland	32	Slovakia	10
France	134	Slovenia	18
Germany	386	Spain	24
Greece	1	Sweden	147
Hungary	21	The Netherlands	184
Ireland	22	United Kingdom	99
Italy	120		

Quelle: http://ec.europa.eu/taxation_customs; Status: 10/14/2009



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How to apply for AEO

Criteria

Enterprises that would like to qualify for the AEO status must meet a number of criteria to ensure a secure supply chain. Basic criteria are:

- good record of compliance with customs requirements
- satisfactory system of trading and transportations record management that enables customs checks to be carried out
- financially health
- regarding AEO S and AEO F, appropriate safety and security standards must be fulfilled

To evaluate the criteria a self assessment has to be conducted. Depending on the applicants role in the supply chain not all questions have to be answered.



How to apply for AEO

An application for AEO can be done by each economic operator who is engaged in customs related operations. It has to be requested by the smallest, legally independent entity.

The application has to take place in that country of the EU where

- A) The general ledger regarding tariff regulations is kept
- B) Customs relevant operations take place

In doubt A is prior B.

This application for AEO is free of costs. The concept intends to decrease all costs for the applicant, so no expert witness is necessary. But the use of them is not prohibited.

Depending on the country where the application takes place different formulars have to be filed with customs.

Usually it consists of :

- an application
- a self assessment.

Often further information concerning the self assessment is required. In some countries a statement is required additionally.

Further information about the process of application for AEO can be found here:

http://ec.europa.eu/taxation_customs/customs/policy_issues/customs_security/aeo/index_en.htm



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How to apply for AEO

European customs will evaluate the applicants reliability based on the self assessment. Further - in particular when applying for AEO S or F - there will be an audit by customs to proof the applicants specifications. To archieve AEO not necessarily all criteria has to be fulfilled. But overall the applicant has to demonstrate to be a secure part of the supply chain.

The duration of reviewing the application depends on several factors, particularly the quality of the self assessment and the company size. The decision will affect latest after 300 days (valid till 31.12.2009) repsectively 90 days (valid from 01.01.2010). The applicant will be added to the list of secure economic operators and it's status will be reported to all other EU member states.



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Prospect

Nowadays the application for AEO is on a voluntary basis. It grants its possessors faster transactions and competitive advantages.

Within the nearer future there will be a time when possessing AEO-Status has become standard and organizations without AEO will be threatened subordinated. To remain competitive applying for AEO will get necessarily important.

Therefor an early application for AEO is well advisable to make use of the advantages and remain competitive.



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