


AUTHORIZED ECONOMIC OPERATORS & MUTUAL RECOGNITION

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ICC: THE WORLD BUSINESS ORGANIZATION



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sectors

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Commerce**
local, regional
and national

**Business
Associations**
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Worldwide Network
Over **6 million companies** and
More than **130 countries**

ICC'S MISSION



To promote international trade and investment as a driver of economic growth, job creation and sustainable development.

AUTHORIZED ECONOMIC OPERATORS (AEOs)

GLOBAL OVERVIEW

As of 2017:

- 77 operational AEO programmes worldwide
- 19 AEO programmes under development
- 48 (+3 with Chinese Taipei) MRAs concluded
- 37 (+5 multilateral) MRAs being negotiated
- On 10th January 2013 Turkey launched its AEO programme

AEO PROGRAMMES

Introduced by the World Customs Organisation (WCO) [SAFE Framework](#) of Standards to Secure and Facilitate Global Trade

Objectives:

- Enhance supply chain security
- Facilitate legitimate trade
- Harmonize and standardize the application of customs controls

DEFINITION OF AN AEO

“A party involved in the international movement of goods, in whatever function, that has been approved by, or on behalf of, a national Customs administration as complying with WCO or equivalent supply chain security standards.”

– WCO SAFE Framework

AUTHORIZED OPERATORS AND THE TFA

- **Article 7.7 of the WTO TFA includes guidelines on trade facilitation for ‘Authorized Operators’**
- **Criteria to be considered an AO includes:**
 - **Appropriate record of compliance with Customs and other related laws and regulations**
 - **Managing records system and necessary internal controls**
 - **Financial solvency**
 - **Supply chain security**
 - **No restriction to SMEs**

BENEFITS OF AEOs

- **Recognized business partners**
 - **Reduced inspections on goods**
 - **Priority treatment if selected for control**
- **Quicker border clearance times**
 - **Simplified customs declarations**
 - **Clearance of goods at importer premises**
- **Increased administrative efficiency**
 - **Fewer physical & document based controls**
 - **Focus on unknown and high-risk cargo**

There are many benefits to the Turkish AEO Programme:

- Right to local clearance
- Use of lump-sum or partial guarantees
- Fewer documentary and physical controls
 - Control priorities
- Summary declaration with reduced data
- Benefit from Mutual Recognition Agreements (MRAs)
 - E.g. with Mexico, India, China, Hong Kong and particularly the EU and the USA

MUTUAL RECOGNITION

By Mutual Recognition of AEOs

- Customs administrations agree to recognise the AEO authorisation issued under the other nation's programme; and
- Provide reciprocal benefits to AEOs.

Mutual Recognition of AEOs is a key element of the WCO SAFE Framework of Standards to strengthen end-to-end security of supply chains and to multiply benefits for traders.

KEY CHALLENGES

- **Need for harmonization and consistency**
- **Benefits not always evident**
- **Implementation of MRAs following conclusion of agreement**
- **Application processes can be burdensome – especially for SMEs**

SMALL-MEDIUM ENTERPRISES: A CLOSER LOOK

- **A flexible approach lowers barriers to adoption by SMEs while maintaining rigorous security standards.**
- **Examples:**
 - Australia
 - Korea
 - Japan

ICC RECOMMENDATIONS

1. Offer clear **benefits**
2. Follow **WCO SAFE** framework
3. **Complement** existing programmes
4. Recognize status **beyond customs**
5. **Open** up AEO status **to all**
6. Ensure customs **capacity**
7. Design **with business**
8. Promote **mutual recognition**

THANK YOU!

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