

CUSTOMS INFORMATION PAPER (08) 29

Authorised Economic Operators – update on implementation

Who should read:	All businesses interested in the development of AEO status
What is it about:	An information update on the implementation of AEO in the EC and the development of mutual recognition with third countries
When effective:	Date of issue
Extant until	Customs aim to provide a further update in 6 months

1. Background

Authorised Economic Operator (AEO) status was introduced by Council Regulation 648/2005 and implemented by Commission Regulation 1875/2006 which took legal effect on 1 January 2008.

Previous papers issued on this subject are JCCC Papers 07/25 and 07/46

2. Implementation in the UK

HMRC have now received over 100 AEO applications in the UK. As expected the vast majority of the applications are for a combined customs simplification and safety and security AEO certificate and have been received from a wide range of businesses, including importers, exporters and freight agents.

HMRC are extremely pleased to announce that the first applications have completed the authorisation process and AEO certificates have been issued to the successful applicants.

HMRC expect the number of applications to grow during the course of 2008 particularly once the first successful applicants are published on the AEO database. We currently estimate no more than 2000 applications being submitted in the UK during the course of the 2008/9 financial year.

3. Implementation in other EC member states

At the AEO Network meeting on 9 April the European Commission provided an update on implementation in other member states. As at 3rd April they reported about 900 applications throughout the EC with the majority being received in the Netherlands, Sweden, UK & Germany. 12 certificates have been issued in 3 member states, UK, Germany & Denmark.

Based on the available information, the Commission project about 4600-5300 applications being submitted across the EC during the course of 2008.

4. Mutual recognition with third countries

It is expected the benefits of AEO status will substantially increase once mutual recognition agreements are in place between the EC system and equivalent AEO systems being developed in third countries. The European Commission is currently in negotiation with a number of third countries, with the United States and China taking priority because of the volumes of trade involved. Norway & Switzerland are also taking priority due to their shared border with the EC.

The European Commission expects the first mutual recognition agreements to be in place during the course of 2009 and also expects these first agreements to act as a model for future negotiations with other countries such as Japan and India.

5. Monitoring visits to ensure consistency across the EC

In developing the AEO system in the EC, the European Commission, customs authorities and trade representatives have all expressed the importance of consistency across member States. The AEO Guidelines published in June 2007 are intended to help the consistent application of AEO rules.

To help share best practice and emerging experiences of AEO the European Commission are also sponsoring a series of monitoring visits to member states between May 2008 and January 2009. Each member state will receive a visit from a team consisting of the Commission and two other member states. The UK will receive a visit from Denmark & Finland in June 2008. The lessons learnt and best practices will be shared with other member states via the AEO Network group in Brussels.

6. Contacts

If you require any further information please contact:

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