

SWEPRO Issues in Focus

Authorized Traders – Important Business for EU

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SWEPRO wishes to put special emphasis on the importance of:

- Safeguarding the trade facilitation features of the AEO programme and providing meaningful reductions in controls and administrative burdens for AEO-certified companies.
- Promoting understanding between customs administrations and companies and encouraging AEO-applications.

From the 1st of January 2008 EU-companies have been able to apply for AEO-status with their member state customs authorities. However, as the number of companies that have applied is relatively small, the promised benefits are in jeopardy.

The AEO (Authorised Economic Operator) programme promises simplifications for companies in return for their proving to customs that they work according to certain criteria. Being part of a legislation package called the “Security amendments to the customs code”, and promoted as a way of fighting the threat of terrorism, the AEO-rules also cover the companies’ control systems, financial solvency and compliance record.

There are two types of certificates available to companies: Customs Simplifications and Security and Safety. There is also the combination of the two, a solution most companies have opted for in their applications.

The driving forces behind the AEO-concept are manifold:

- It provides smoother border procedures and fewer controls for legitimate trade.
- It provides a basis for further trade facilitation and electronic customs procedures.
- It makes risk selection better and allows customs authorities to focus on high-risk goods.
- It enables customs to allow the supply chain restart quickly after an incident, letting well known companies’ goods pass through.

The AEO-concept is an important tool for trade facilitation and for a more competitive Europe. European companies face competition from other regions such as south-east Asia and the USA. Facilitating imports to and exports from the European Union will directly influence the time and cost for companies to reach their markets. Giving real advantages to companies under AEO-status will thus be an efficient way to promote competitiveness. The efforts of European companies and their partners will contribute in a concerted way to enhancing security and thereby be a valuable element in combating terrorism.

In mid September 2008 some 1300 European companies had applied for AEO-status. About 300 European companies have now been certified as AEOs. This is a good result compared to the US Customs-Trade Partnership Against Terrorism programme (approx. 7000 certified companies since 2002) but it is far from the projected outcome, in some countries expected to be thousands of companies in the first year. The great majority of applications come from a handful of countries while many countries have few if any applicants.

The low level of interest shown by industry in AEO may stem from the lack of advantages for companies as well as from a lack of information and trust between the national customs administrations and companies. The fact that most applications come from member states with a long tradition of co-operation between customs and industry or with experience of AEO-programmes shows the importance of dialogue between the private and the public sector and

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SWEDISH TRADE PROCEDURES COUNCIL

SWEPRO is the Swedish forum for trade facilitation where Sweden’s central stakeholders gather to discuss and exchange views on national and international work. Its mission is also to spread knowledge about the benefits of trade facilitation and to participate actively in international processes in the area. SWEPRO was founded in 1975 and is the oldest PRO organisation in the world.

For more information see www.swepro.org

The following organisations are represented in SWEPRO:

National Board of Trade
Ministry for Foreign Affairs
Swedish Customs
Swedish Trade Council
Swedish Alliance for Electronic Business
Swedish Association of Local Authorities and Regions
Swedish Bankers’ Association
Swedish International Chamber of Commerce
Swedish International Freight Association
Swedish Trade Federation

gives room for concern for the countries lagging behind.

There may be further reasons why the AEO has made a slow start in some countries. There are few EU-common advantages linked to AEO-status today. As of the 1st of July 2009 AEOs enjoy a reduction in the amount of data required for the summary entry and exit declarations from some 25 fields of information to 20. However, the burden of putting a system into effect and coordinating information flows remains the same. Until centralised clearance comes into being, planned to be introduced when the Modernised Customs Code comes into force, few simplifications are in view. Single Authorisation Simplified Procedures, SASP, will be a first step towards centralised clearance based on agreements between the member states involved. With the introduction of the modernised Customs code the focus on simplifications will continue on an EU level,

but there will be more focus towards harmonised simplifications. In those areas where we will have EU legislation it will be more complicated for national administrations to give local advantages to compliant companies, but there will still be areas where this is possible. Harmonised simplifications can on the other hand be very useful for large companies and multinational companies

All European companies must be able to enjoy the trade facilitation benefits made possible by the AEO-concept – both for the sake of security and for the competitiveness of the European economy. It is especially important to safeguard the trade facilitation features of the AEO programme and to provide meaningful reductions in controls and administrative burdens for AEO-certified companies.

¹The Modernized Customs Code reg. (EG) 450/2008 comes into force when the implementation provisions have been decided, at the latest in 2013.