



Mr Dominik SCHNICHEL  
Director Customs, DG TAXUD  
European Commission  
Rue de la Loi 200  
1049 Brussels  
BELGIUM

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**Subject: working towards real advantages for Authorised Economic Operators**

Dear Mr Schnichels,

The implementation of the Union Customs Code (UCC) in May 2016 was an important step forward in creating a modern customs environment in Europe. UCC states a number of advantages to obtaining the AEO status, while the AEO programme has already been in place for more than a decade.

A company that obtains an AEO status is deemed to be trustworthy from a customs perspective. It remains subject to random spot checks as it has taken all necessary measures to ensure correct customs clearance in line with EU law and regulations. AEO status in theory means that companies benefit from simplified procedures, as they do not require a transaction-based scrutiny which is necessary for non-AEO companies. In summary, AEO status is supposed to facilitate trade and help competitiveness.

Accordingly, many companies in the EU have invested a lot of administrative and financial resources to obtain AEO status. Despite this, they must still submit their business processes, partners and products to regular checks. As AEO status increasingly becomes a basic requirement, a growing number of SMEs must undergo such involved efforts to obtain AEO authorisation to remain integrated within their supply chains.

Despite these investments, many simplifications, such as self-assessment and centralised clearance, have not yet been implemented. Many European companies are therefore questioning whether the costs and benefits of becoming an AEO are adequately balanced, and whether the business case merits such investment of effort.

We urge the Commission to move forward with real and innovative simplifications for AEO status holders and align the regime with the aims of the WCO SAFE Framework of Standards to Secure and Facilitate Global Trade. We believe we must simplify and reduce the workload for both customs and companies and allow authorities to concentrate valuable resources on cases that represent a higher risk.

Attached at annex, are some basic concepts on how self-assessment could become a reality, which is a major priority for European economic operators. The annex also mentions the SAFE Framework, which, if well implemented, could also help bring tangible AEO benefits to European economic operators. We should very much like to explore these and other possibilities in more detail with you and colleagues or at an appropriate forum.

Yours sincerely,

ACEA – European Automobile Manufacturers' Association

BusinessEurope

ESC – European Shippers Council

EuroCommerce

SpiritsEurope

### ***A. Achieving self-assessment and simplifying import and export declarations***

We consider that the general approach should change from transaction-based to a process-oriented approach.

The process-oriented approach, as described more in detail below, assumes a very high confidence by EU customs in the company's compliant behaviour. The company granted a self-assessment authorisation must prove to customs they can be trusted to act compliantly (e.g. it must have strong internal-control systems as well as administrative/IT systems, must perform risk-assessment on a continuous basis and take appropriate measures to mitigate those risks, the company may be systematically audited, etc, etc...).

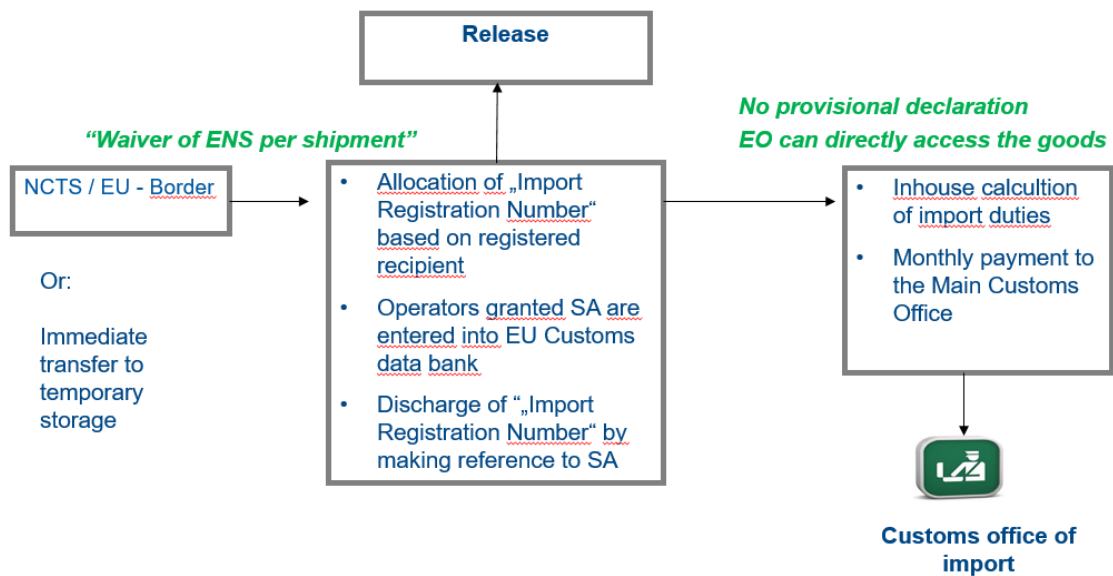
The approach is based on very detailed checks of the processes, the partners and the products of the economic operator before granting a self-assessment authorisation. Risk controls will be performed in general, before issuing the authorisation. These checks and controls will replace in principle the transaction-based checks at the moment of the import. Once the economic operator has gone through all these detailed checks, customs authorities will issue an authorisation for "self-assessment".

The number of the authorisation and the name of the company will be registered in a central register managed by the Commission. Every EU customs office dealing with imports should have access to this register. This would allow checks at the moment of import, in particular to verify if the customer is the owner of an authorisation for self-assessment.

- **Self-assessment for imports into the EU**

Ideally, when a company is importing goods into the EU, customs office of entry issues an identification number for the shipment upon arrival in the EU. The owner of an authorisation for self-assessment would need to indicate that it is certified to self-assess the imported good. Once this has been verified by Customs, the goods would be automatically released. Instead of making an import declaration at the time of import, the entry should be registered in the operating records of the company. The company should then be able to periodically file customs declarations as a means of simplification.

Instead of filing a separate import declaration for each shipment received, the company, which is AEO-certified or otherwise authorised to make use of simplifications, could, through self-assessment, compile a summary declaration and duty payment for a fixed period of time (such as once per month). In principle, the method would be the same as for Value Added Tax (VAT). Periodic customs declarations ought to be submitted with data summarised to the greatest extent possible.

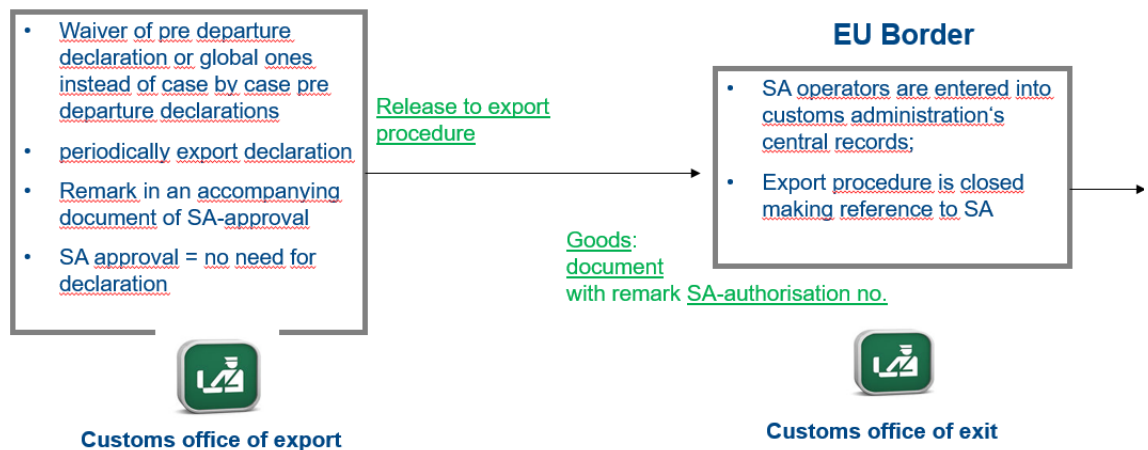


Such simplification would reduce the administrative burden on the companies involved and the faster clearance at the border would alleviate the pressure on customs staff and infrastructure. However, there may still be the need for physical checks of imported goods for safety, sanitary or veterinary purposes.

• **Self-assessment for exports outside the EU**

The self-assessment for exports, would be based on a periodically export declaration instead of one for each export and on a waiver of the pre departure declaration or a global one. The owner of an authorisation for self-assessment would include a remark in an accompanying document of self-assessment approval without need for a declaration. Once this has been verified by Customs, the goods would be automatically released to export procedure.

At the EU border self-assessment operators would enter into customs administration’s central record. The export procedure would be closed by making a reference to self-assessment.



We understand that the processes described above would require a high degree of trust from the side of EU customs authorities. Therefore, not all AEOs companies should be granted a self-assessment authorisation. A way to solve this issue could be to create a **system of AEO and AEO+ or AEO++**. The later status would only be granted after a company has proven to customs it has in place a strong and reliable system of safeguards, security and internal control, which ensures compliant behaviour.

- **We foresee the following benefits of self-assessment:**

1. In case a company would change its process in a way that involves a change of the customs procedure, no administrative changes would be necessary. At present this would imply, among other things, a change of the customs declaration.
2. It would reduce the workload for all parties involved. It would decrease the number of messages and reduce (IT) costs for all.
3. Authorised Economic Operators (AEO) have already undergone checks of their business processes in order to obtain this status. It would therefore make little sense to subject every transaction of a trustworthy operator to further checks in the name of risk control. By using a process-oriented approach as opposed to a transaction-oriented approach, the freed capacity could be used for high risk cases.

***B. Aligning the regime with the aims of the WCO SAFE Framework of Standards to Secure and Facilitate Global Trade***

The World Customs Organisation (WCO) has developed a regime that enhances the security and facilitation of international trade i.e. the WCO SAFE Framework of Standards to secure and facilitate global trade. The SAFE Framework sets forth the principles and the standards and presents them for adoption as a minimal threshold of what should be done by WCO Members. The pillar on Customs-Business Partnership clearly states that **AEO benefits should be tangible, meaningful, transparent and measurable**. At the moment most companies holding AEO status perceive an indirect benefit coming from the enhanced trusted partnership with Customs Authorities-. The SAFE framework supports other possible enhancements, which could help make the AEO benefits more tangible, meaningful, transparent and measurable, such as:

- Reduction in fees or charges for AEOs (that should be implemented at Member-State level);
- Assign dedicated personnel to help AEOs to coordinate and resolve Customs related matters and/or provide access to a dedicated helpdesk for Customs issues/ discussion;
- Grant AEOs expedited processes to resolve post-entry or post-clearance inquiries;
- AEOs to be invited/ prioritized in the involvement for development of new policies and programmes;
- AEOs to get priority involvement in new trade facilitation initiatives/pilot programmes;
- Special measures relating to periods of trade disruption e.g. like the Covid-pandemic;