



Trade facilitation measures for Authorized Operators

-Article 7.7 of the WTO TFA

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Article 7.7 of the WTO TFA

-Broad features

- Additional trade facilitation measures to ‘Authorized Operators’
- **Specified criteria** may include-
 - appropriate record of compliance with Customs and other related regulations,
 - a system of managing records for necessary internal controls,
 - financial solvency, and
 - supply chain security.
- No criteria mandatory,
- No arbitrary or unjustifiable discrimination,
- No restriction to SMEs.

Trade Facilitation Measures

-Authorized Operators

- **At least three benefits of the following :**
 - low documentary and data requirements,
 - low rate of physical inspections and examinations,
 - rapid release time,
 - deferred payment of duties, taxes, fees and charges,
 - use of comprehensive guarantees or reduced guarantees,
 - a single customs declaration for all imports or exports in a given period, and
 - clearance of goods at the premises of the authorized operator or another place authorized by Customs.

WCO Instruments and Tools

- 'Authorized Person' - the RKC (GA- Transitional Standard 3.32)
- Authorized Economic Operator (AEO) – the SAFE FoS
- SAFE Package :
 - Customs Guidelines on Integrated Supply Chain Management
 - AEO Implementation Guidance
 - AEO Compendium - 2014 edition
 - Model AEO Appeal Procedures
 - AEO Benefits: Contribution from the WCO Private Sector Consultative Group
 - Guidelines for the Purchase and Deployment of Scanning/Imaging Equipment - 2011 edition
 - SAFE Data Element Maintenance Mechanism
 - Trade Recovery Guidelines
 - The Authorized Economic Operator and the Small and Medium Enterprise (FAQ)
 - Mutual Recognition Arrangement/Agreement Guidelines
 - AEO Template
- Customs-Business Partnership Guidance

Authorized Person - the RKC

- **Eligibility Criteria** includes:
 - An appropriate record of compliance with Customs requirements, and
 - A satisfactory system of managing commercial records.
- **Benefits** :
 - Release of goods on minimum necessary information,
 - Clearance at the declarant's premises or another place authorized by the Customs,
 - Single declaration for all imports/exports over a period,
 - Self assessment of duty and tax on the basis of commercial records,
 - Goods declaration by means of an entry in the records of the AP followed by a supplementary Goods declaration.

Authorized Economic Operator (AEO) – the SAFE FoS

➤ Eligibility criteria :

- demonstrated compliance record,
- satisfactory system for the management of commercial records,
- financial viability, and
- security concerning cargo, transport conveyances, premises, personnel and trade partners.

➤ Benefits :

- reduced data sets for cargo release,
- expedited processing and release of shipments,
- minimum number of cargo security inspections, reduction of/exemption from bank guarantees,
- priority inspection,
- reduction of theft and damage,
- improved internal efficiency,
- benefits from other countries - MRAs,
- Enhanced security leads to several intangible benefits, including enhanced competitiveness and reputation.

AEOs

- AEO – standardized, more comprehensive,
- 168 WCO Members signed a letter of intent,
- 56 AEO programmes fully implemented, with another 12 at finalization stages,
- 28 Mutual Recognition Agreements (MRAs).

Analysis

- Benefits for AOs in the WTO TFA - similar to RKC and SAFE AEO,
- Focus in AO is on trade compliance and supply chain security may be one of the component, while AEO must always comply with a range of security standards.
- Specified criteria not mandatory- varied models of the scheme.
- Challenge to have a common approach for MRA.
- Para 7.4 of the Article – use of international standards.
- WCO Standards fully supports-
 - The RKC and its guidelines and
 - The SAFE FoS and SAFE Package.
- AO could be a stepping stone for implementation of full fledged AEO.

Thank You For Your Attention!

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