

COMPENDIUM OF AUTHORIZED ECONOMIC OPERATOR PROGRAMMES



year Edition



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INTRODUCTION

The WCO Authorized Economic Operator (AEO) Programme is widely acknowledged as a key driver for a solid Customs-Business Partnership; a secure, transparent and predictable trading environment; and, in a wider context, enhanced economic prosperity.

The WCO strongly recommends the implementation of an AEO programme, as well as supports various Customs compliance programmes and Authorized Operator schemes under Article 7.7 of the World Trade Organization (WTO) Agreement on Trade Facilitation (TFA) as stepping stones towards implementation of a fully-fledged AEO programme.

It is worth noting that the number of Mutual Recognition Arrangements/Agreements (MRAs) signed and currently being negotiated has considerably increased during the past year, and these positive dynamics demonstrate greater engagement by all relevant stakeholders and also provide a basis for a harmonized approach to achieving bilateral and plurilateral/regional MRAs.

Aside from developing standards, guidelines and providing capacity building support to WCO Members in establishing, maintaining and enhancing AEO programmes, the WCO facilitates communication and cooperation among WCO Members and key stakeholders on AEO and MRA implementation. Recognizing the dynamic development of AEO programmes among WCO Members, the WCO is conducting an annual update of the AEO Compendium, which is intended to be a primary source of information, including good practices, for developing/enhancing national/regional AEO programmes.

Since its initial publication in 2010, the AEO Compendium has become an important source of information for Customs and other key stakeholders, such as the business community, academia, international organizations and all those with a professional interest in the latest developments concerning AEO programmes around the world.

The Compendium contains a concise but concrete and structured overview of the current AEO programmes and MRAs implemented by WCO Members, as well as the programmes/initiatives under development/implementation. In addition to the provision of basic information on AEO and Customs compliance programmes, the Compendium also includes a short overview of the respective AEO programmes' criteria, accreditation procedures and benefits. Information is not only confined to the current situation as it also includes Members' planned future developments/initiatives.

The AEO Compendium is incorporated in the *WCO SAFE Package* that contains tools to assist in establishing and administering AEO programmes. Although the SAFE Framework of Standards offers a single definition of a SAFE AEO programme, there is currently no definition of Customs compliance programmes. There are a number of programmes related to trusted trader issues that are contained within various international instruments and which are being implemented by Customs administrations.

The Compendium makes a clear differentiation between the SAFE AEO Programme, Compliance programme (similar to the Authorized Person concept in the Revised Kyoto Convention (RKC) Standard 3.32) and Article 7.7 of the TFA¹.

Transitional Standard 3.32 of the RKC refers to the concept of "authorized persons" who must have "an appropriate record of compliance with Customs requirements and a satisfactory system for managing their commercial records". On the other hand, Article 7.7 (Trade Facilitation Measures for Authorized Operators) of the WTO TFA makes provision for 'Authorized Operators' who meet a set of

¹ http://www.wcoomd.org/-/media/wco/public/global/pdf/topics/facilitation/instruments-and-tools/tools/safe-package/faq-on-linkages-between-the-safe-aeo-programme-and-article-7_7-of-the-wto-tfa-en.pdf?la=en

criteria, which may include an appropriate record of compliance with Customs and other related regulations, a system of managing records for necessary internal control, financial solvency and supply chain security. The Authorized Operator concept does not, other than stating that the programme must exhibit one or more of the criteria listed, set out any need to have security considerations as part of its design. If there is no security requirement, the Authorized Operator scheme could be considered as yet another Customs compliance programme.

For the purposes of this Compendium, the concept of a Compliance programme has been clearly differentiated and could possibly be defined as a Customs facilitation programme under which an operator has to furnish an appropriate record of compliance with Customs requirements, a satisfactory system for managing commercial records and, where possible, good financial solvency.

The main difference between the SAFE AEO Programme and a Compliance programme lies in the fact that security requirements such as those prescribed in Annex IV to the SAFE 2018 are not specifically included in a Compliance programme. Also, unlike the SAFE AEO Programme, a Compliance programme may not have common specified criteria and standards. As a consequence, bilateral/plurilateral/regional mutual recognition of such programmes could prove challenging.

Under the WTO TFA, WTO Members are encouraged to develop Authorized Operator schemes on the basis of international standards, where such standards exist. The RKC and its guidelines and the SAFE Framework of Standards provide such standards. These WCO Standards, supported by the tools in the SAFE Package, i.e. the AEO Implementation Guidance, the AEO Compendium, the AEO Validator Guide, the Model AEO Appeal Procedures, the Authorized Economic Operator and the Small and Medium Enterprise, the AEO Template and the Mutual Recognition Arrangement/Agreement (MRA) Strategy Guide, can effectively support and assist WCO Members in developing and implementing WTO TFA - Authorized Operator schemes. Given that the WTO TFA mentions four criteria similar to the SAFE AEO criteria (though non-binding) for an Authorized Operator scheme, it may be appropriate to use the AEO criteria/requirements, as in the SAFE Framework, as a standard for developing an Authorized Operator scheme under the WTO TFA. Using the AEO criteria as a standard to implement Article 7.7 of the WTO TFA will assist in ensuring a harmonized approach and seamless mutual recognition at bilateral, sub-regional, regional and, global levels.

In the SAFE context, a Compliance programme could perhaps be a first step or stepping stone towards the SAFE AEO programme. This is to say that unless all the requirements of the SAFE Framework of Standards are complied with by an operator in the supply chain, it will not gain SAFE AEO status.

Considering the above, the _year_ edition consists of four parts dealing with AEO programmes based on the WCO SAFE Framework of Standards (Part I), Customs Compliance programmes implemented by Customs administrations (Part II), Mutual Recognition Agreements/ Arrangements of AEO programmes (Part III), and an Appendix containing a summary of information on the various parts covered in the body of the Compendium (Part IV).

Based on the information provided by Members for _year_, the updated edition of the AEO Compendium identifies, among others, the following:

- _data1_ operational AEO programmes and _data2_ AEO programmes under development.
- _data3_ operational Customs Compliance programmes and _data4_ Customs Compliance programmes due to be launched.
- _data5_ bi-lateral and _data6_ plurilateral/regional MRAs concluded and _data7_ MRAs under negotiation.

The WCO Secretariat appreciates the information provided by its Members and encourages all Members to contribute to further sharing of good practices and to strengthening cooperation between Customs and the private sector.

Disclaimer

The Compendium disseminates the findings of work in progress to encourage the exchange of ideas about Customs issues. The views and opinions presented in this paper do not necessarily reflect the views or policies of the WCO or its Members.

This Compendium is available on the WCO public website: www.wcoomd.org. The Compliance and Facilitation Directorate may be contacted by e-mail: Facilitation@wcoomd.org

ABBREVIATIONS

AEO	WCO Authorized Economic Operator
MRA	WCO Mutual Recognition Agreement/Arrangement
RKC	WCO Revised Kyoto Convention
TFA	WTO Agreement on Trade Facilitation
SAFE	WCO SAFE Framework of Standards to Secure and Facilitate Global Trade
WCO	World Customs Organization
WTO	World Trade Organization

I. AEO PROGRAMMES OPERATIONAL

For this section, the placeholder is not shown, but instead the regions and other comments, to show the expected output, both here and in the contents above.

1. WCO SOUTH AMERICA, NORTH AMERICA, CENTRAL AMERICA AND THE CARIBBEAN REGION

Data goes here, country by country, design of data to be suggested by the supplier, and reviewed by the WCO.

2. WCO FAR EAST, SOUTH AND SOUTH EAST ASIA, AUSTRALIA AND THE PACIFIC ISLANDS REGION

Data goes here, as above, if there is no data for a region, the region should still appear.

3. WCO EUROPE REGION

Data goes here, as above.

4. WCO EAST AND SOUTHERN AFRICA REGION

Data goes here, as above.

5. WCO NORTH OF AFRICA, NEAR AND MIDDLE EAST REGION

Data goes here, as above.

6. WCO WEST AND CENTRAL AFRICA REGION

Data goes here, as above.

II. AEO PROGRAMMES UNDER DEVELOPMENT

A typical placeholder is shown below for this section. The other sections below don't have placeholders.

`_AEO_DEV_ALL_REGIONS_`

III. CUSTOMS COMPLIANCE PROGRAMME OPERATIONAL
IV. CUSTOMS COMPLIANCE PROGRAMME UNDER DEVELOPMENT
V. MUTUAL RECOGNITION ARRANGEMENTS/ AGREEMENTS (MRAs):
BILATERAL/PLURILATERAL
VI. ANNEXES

- I. AEO PROGRAMMES OPERATIONAL: _data1_**
- II. AEO PROGRAMMES UNDER DEVELOPMENT: _dat21_**
- III. CUSTOMS COMPLIANCE PROGRAMMES OPERATIONAL: _data3_**
- IV. CUSTOMS COMPLIANCE PROGRAMMES TO BE LAUNCHED: _data4_**
- V. MRAs CONCLUDED Bi-lateral: _data5_**
- VI. MRAs CONCLUDED Plurilateral/regional: _data6_**
- VII. MRAs BEING NEGOTIATED: _data7_**

**Chinese Taipei is not a WCO Member.*
