

AUTHORIZED ECONOMIC OPERATOR

How to deal with it ?

***2nd WCO Global AEO Conference
Madrid, April 29th 2014***

Alis International, for consulting, customs engineering, management of integrated logistics solutions and 4PL

Qualitair&Sea, for international freight forwarding

Setcargo, for French overseas freight forwarding

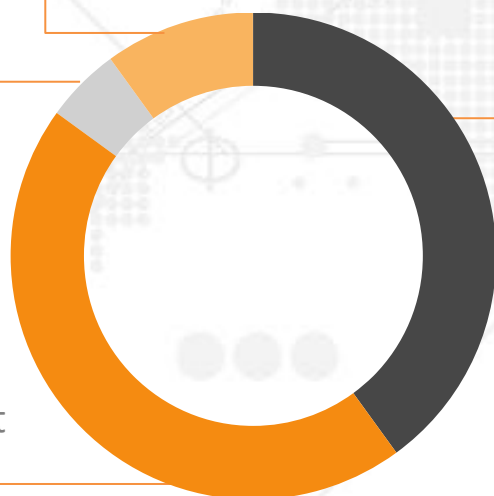


Engineering & consulting

Logistics

Airfreight

Seafreight



Company profile:

Turnover: 150 M EUR

Staff: 450

Branches: 25

Qualitair&Sea was designated pilot by French Customs in 2007 in order to implement the AEO certification process, and among the first French freight forwarders to be certified AEO in 2009.

Alis International was presented by French Customs to Japanese Customs in 2010 for Japan / EU bilateral recognition and then to Turkish Customs in 2013 for the same topics.

Alis International is specialist in freight forwarders/handling agents/shippers AEO certification and have been already working for some big companies : ID Logistics, WFS...

Maturity level of customs and safety/security organization



Control of customs flows

- Customs strategy defined
- Safety/security basic procedures (account customer, ICAO regulated agent...)
- Simplified procedures in place, specific authorizations negotiated with customs
- Operational processes in place
- Customs dashboard in place

Profit Center

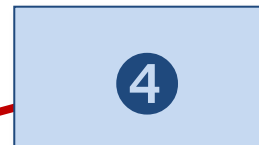
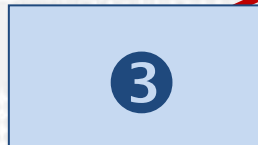
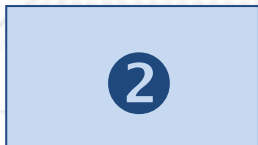
- Customs strategy aligned with Supply Chain strategy
- Deep security procedures, costs/profit analysis (RA, KC, EAO...)
- Centralized clearance procedures in place
- Management of economic regimes
- Organization with measure of performance
- Development under mode project and methodology adapted to products flows and product families

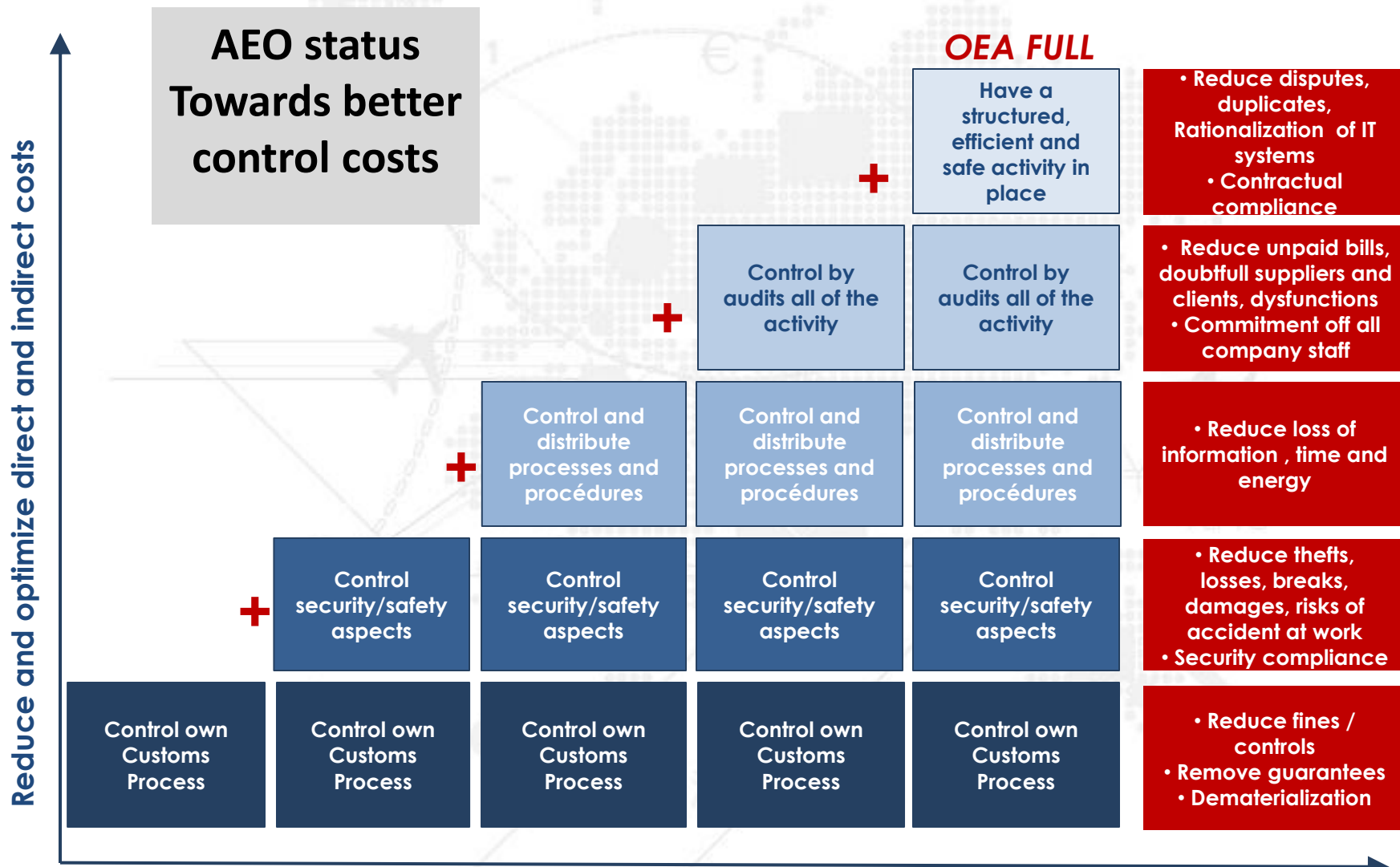
ROI steering

- Clear and shared strategy within the company, with all Directions
- Customs function initiating the change
- Security process involved in all decisions.
- Methodologies are acquired and improved. Objectives and KPI reflect the strategy
- Upstream involvement of the Customs function with the Purchases department. In sourcing policy. Customs used as competitive advantage
- Efficient use of the Customs IT system. Interface of invoicing and logistic systems.

Administrative Function

- No specific customs procedures and authorizations in place.
- No security process implemented (leads to high insurance costs).
- No strategy
- Transactions managed by different customs broker
- No cost control (customs costs, suppliers costs)





AEO status – marketing benefits

- ✓ Initially, as a few freights forwarders were certified, AEO certification was used in a very positive way for marketing differentiation.
- ✓ Now that many operators are certified, **not being AEO is clearly a strong disadvantage** in terms of marketing.
- ✓ Being AEO shows *urbi et orbi* a full compliance with high level international security and customs standards.
- ✓ A compliance all the more efficient that it is made by customs administration

AEO status – how to go further ?

- ✓ Many customers are now requiring their service provider to be strictly compliant with security regulations: being AEO is a good way to show this compliance. Is it sufficient?
- ✓ Facilitations require the AEO certification of all the supply chain, from the shipper to the airline/sealine. Unfortunately a few shippers are certified, some big airlines are not certified and it is therefore difficult to consider a whole certified supply chain.
- ✓ Especially small trucking companies : French customs and French operators decided to launch an “EAO certification package”

AEO status – why harmonizing ?

- ✓ Process is more or less harmonized among 27 EU members. But : not clear that all the advantages are harmonized.
- ✓ To harmonize AEO & Regulated Agent (RE 300/2008) regulations.
- ✓ To implement EU/USA bilateral recognition between AEO and C-TPAT. No operational advantage at the present time.
- ✓ To develop a worldwide multilateral recognition process, through WCO : each country having its own AEO process and its own ICS/ECS process leads to administrative burden and to duplication of all process : **ECS in the departure country should be ICS in the arrival country.**



THANK YOU FOR
YOUR ATTENTION