



Authorized Operators Scheme

Article 7.7 of the WTO Agreement on Trade Facilitation

Introduction

- The WTO Agreement on Trade Facilitation (ATF) provides for 'Authorized Operators', who will need to meet specific criteria which 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. None of these criteria are mandatory and an Authorized Operator scheme may include any combination of the specified criteria.
- The Agreement states that these Authorized Operators should enjoy at least three of the following trade facilitation measures: low documentary and data requirements as appropriate; low rate of physical inspections and examinations as appropriate; rapid release time as appropriate; 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

- The Revised Kyoto Convention (RKC), in its General Annex - Transitional Standard 3.32 (Special procedures for authorized persons), provides for 'Authorized Persons' who meet specified criteria, including having an appropriate record of compliance with Customs requirements and a satisfactory system for managing their commercial records; such persons are entitled to several benefits, including simplified procedures for the release of goods, where Customs reduces the level of controls and permits clearance of the goods at the declarant's premises or another place authorized by the Customs.
- The WCO SAFE Framework sets out global standards for launching and maintaining an Authorized Economic Operator (AEO) programme, with eligibility criteria such as a demonstrated compliance record, a satisfactory system for the management of commercial records, financial viability, and security concerning cargo, transport conveyances, premises, personnel and trade partners. AEOs would be entitled to a number of tangible benefits, such as reduced data sets for cargo release, expedited processing and release of shipments, minimum number of cargo security inspections, reduction of/exemption from bank guarantees, and priority inspection. Enhanced security also provides several intangible benefits to an AEO, including enhanced competitiveness and reputation.

- To date, 168 WCO Members have signed a letter of intent whereby they commit to implementation of the SAFE Framework, and 56 AEO programmes have been fully implemented, with another 12 at finalization stage and a couple more in the pipeline. Twenty-four Mutual Recognition Agreements (MRAs) on AEOs have been concluded so far.
- In the Authorized Operators scheme provided for in the WTO ATF, the focus is on trade compliance and supply chain security may be one of the components, whereas AEOs must always (but not exclusively) comply with a range of security requirements as laid out in the WCO SAFE Framework of Standards to ensure supply chain security.
- The WTO ATF encourages Members to develop Authorized Operator schemes on the basis of international standards, where such standards exist; it might be appropriate to use the WCO's SAFE AEO model as a standard for the development of the ATF Authorized Operator scheme, given that the use of AEO criteria to implement Article 7.7 would assist in ensuring a harmonized approach and enable countries to achieve mutual recognition on the basis of a shared understanding.

AEO Compendium (2014 edition)

- The AEO Compendium (2014 edition) includes the latest developments regarding the implementation of AEO programmes based on the SAFE Framework of Standards and mutual recognition of such programmes, across the globe. It provides details of various compliance programmes implemented by Customs administrations, while maintaining a clear differentiation between SAFE AEO programmes and other compliance programmes. In addition, the 'Authorised Operators' scheme established under the WTO ATF is also described in the Compendium. The AEO Compendium (2014 edition) is available at: http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/~/_media/B8FC2D23BE5E44759579D9E780B176AC.ashx.

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