

EU Supply Chain Security

BACKGROUND

In response to 9/11 and faced with compounding challenges, countries and Trading Blocs are reinventing border control practices.

Encouraged by the World Customs Organisation (WCO), many nations are adopting a different perspective. Instead of viewing cargo movement as discrete departure and arrival transactions, they see it as an end-to-end, integrated process from point of manufacture to final delivery destination. For instance, Customs in a destination country are pushing their controls back to the shipment's origin and forward to the ultimate delivery location.

To facilitate this sort of international and public/private sector integration, the WCO has issued the WCO SAFE Framework which covers mutual recognition, certification and risk management. This global agreement accepted by over 100 countries forms the basis of European Union's ("EU") supply chain security regime.

APPROVED ECONOMIC OPERATOR (AEO)

The EU has introduced the AEO accreditation regime for improving supply chain security. AEO certified businesses, which operate robust security criteria, will benefit from trade facilitation measures, such as fewer physical customs inspections at EU borders and simpler reporting, ultimately resulting in lower costs.

Once a customs authority has accredited a company with the AEO status, that company will be recognised as such by the customs authorities of all EU Member States, without prejudice to customs controls. In due course this recognition will be extended - via EU mutual recognition agreements - to customs authorities in other parts of the world.

AEO status will give your company an added value above those that have not (yet) obtained this status. It will show to suppliers and customers that you are a trustworthy and reliable business, compliant with the EU's supply chain security regime.

AEO CERTIFICATION PROCESS

The AEO status is a certificate that will be granted to any business established within the customs territory of the EU

which meets the following criteria:

- an appropriate record of compliance with customs requirements;
- a satisfactory system of managing commercial and, where appropriate, transport records, which allows appropriate customs controls
- where appropriate, proven financial solvency; and
- where applicable, appropriate security and safety standards.

OUR SERVICES

We can offer a range of assessments to help you evaluate your supply chain security systems and requirements in the context of AEO and the following standards:

- Customs & Trade Partnership against Terrorism (C-TPAT);
- Transport Asset Protection Association (TAPA); and
- ISO 28000.

There are many other ways in which we can help. We can:

- assist you with the application process.
- explain the reporting and data requirements.
- design and document supply chain security procedures and internal guidance.

For further information please contact:

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