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Actual issues of the institute of the Authorized economic operator in the Eurasian Economic Union

3rd Global AEO Conference: The Evolution of Security in Global Trade: Great partners,
Innovative technology and Smart practices
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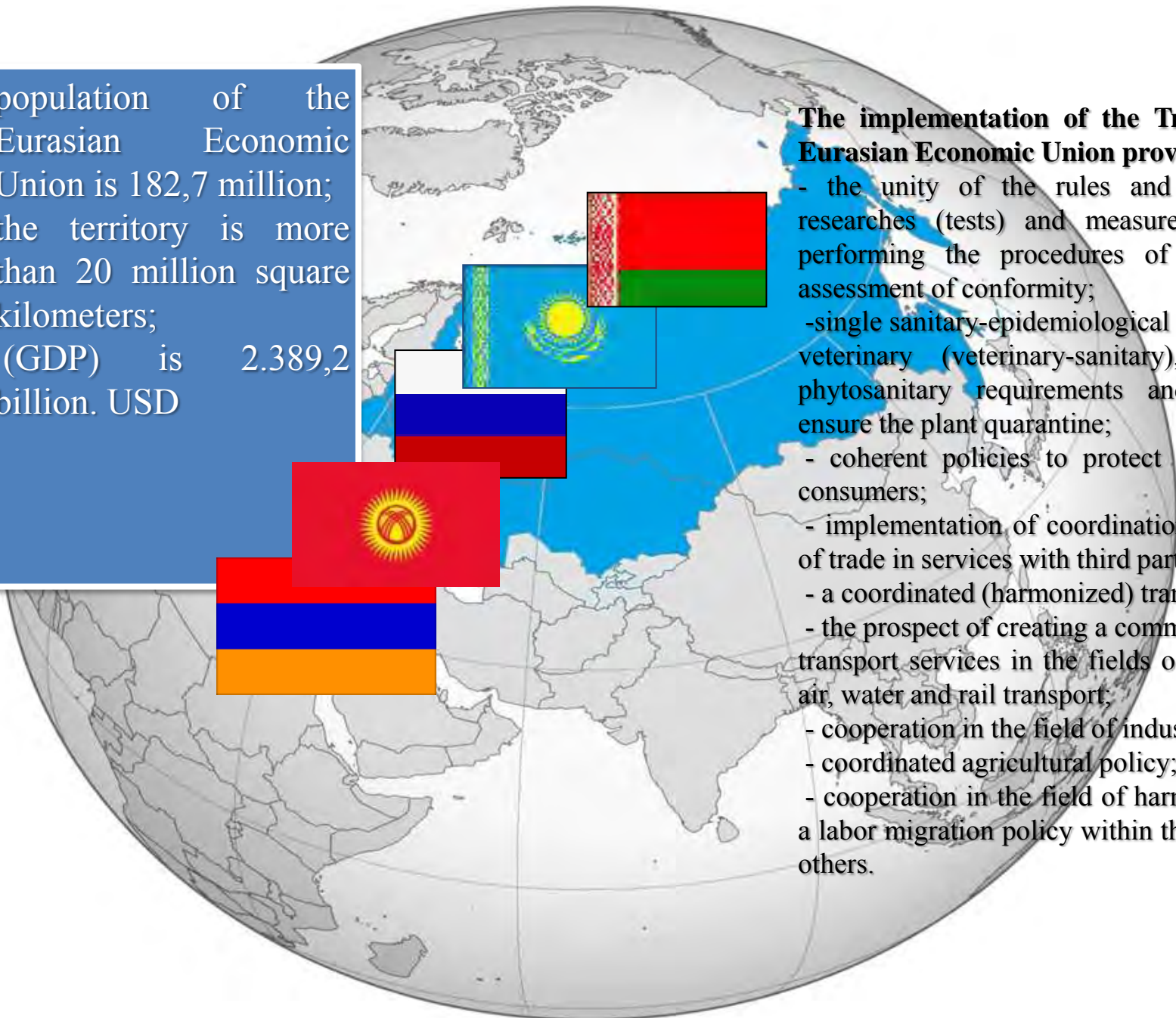
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The Eurasian Economic Union

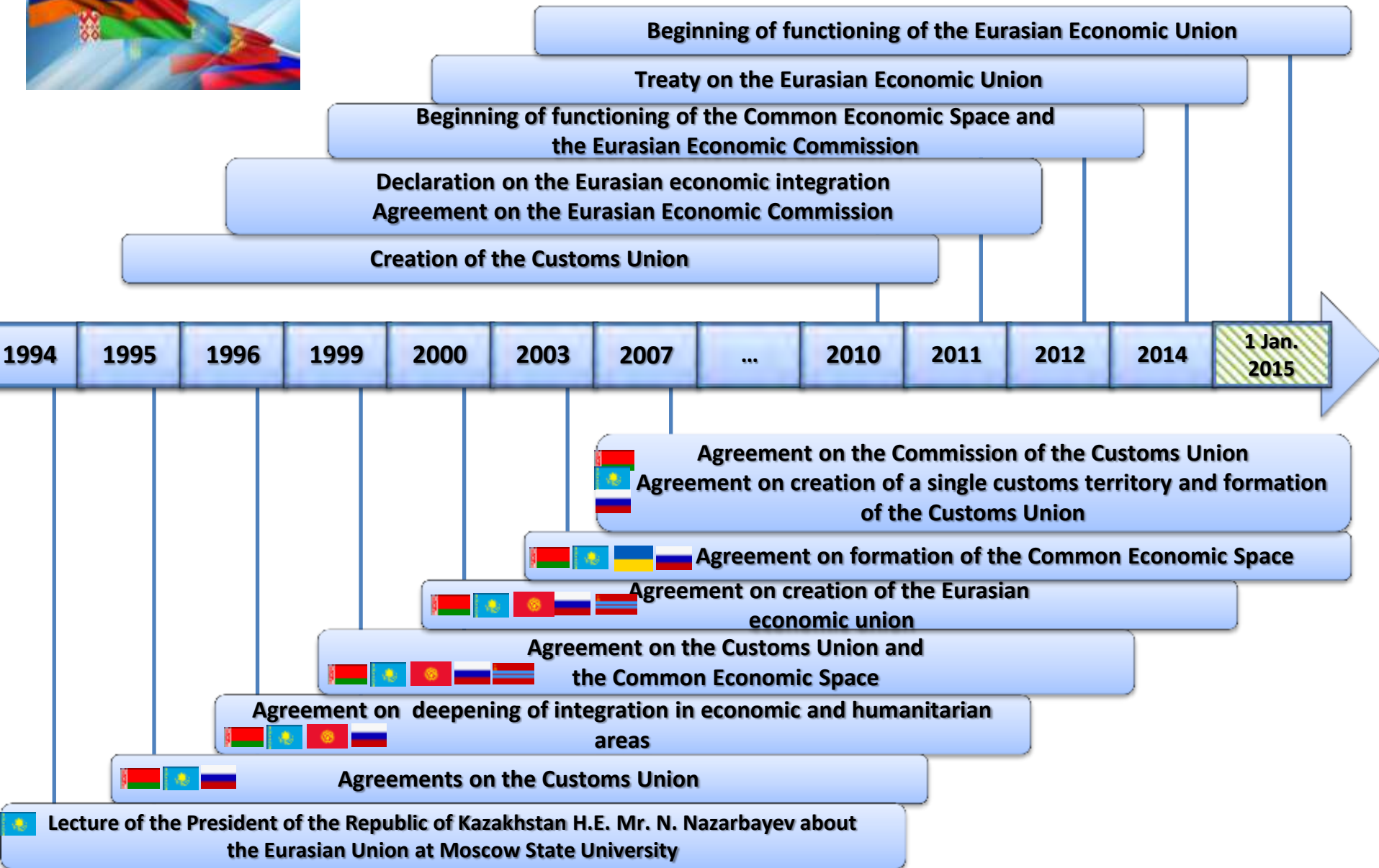
- population of the Eurasian Economic Union is 182,7 million;
- the territory is more than 20 million square kilometers;
- (GDP) is 2.389,2 billion. USD

The implementation of the Treaty on the Eurasian Economic Union provides:

- the unity of the rules and methods of researches (tests) and measurements while performing the procedures of mandatory assessment of conformity;
- single sanitary-epidemiological and hygienic, veterinary (veterinary-sanitary), quarantine phytosanitary requirements and norms to ensure the plant quarantine;
- coherent policies to protect the rights of consumers;
- implementation of coordination in the field of trade in services with third parties;
- a coordinated (harmonized) transport policy;
- the prospect of creating a common market of transport services in the fields of automobile, air, water and rail transport;
- cooperation in the field of industry;
- coordinated agricultural policy;
- cooperation in the field of harmonization of a labor migration policy within the Union, and others.



Phases of formation of the Eurasian Economic Union



Single customs territory

Customs Union Commodity Classification of Foreign Economic Activity, Common Customs Tariff and other single measures regulating foreign trade

Single trade regime with third party countries

The allocation of customs duties between the Member States of the Customs Union

The single rules of country origin and customs valuation of goods

The single customs legislation defining the unified customs clearance

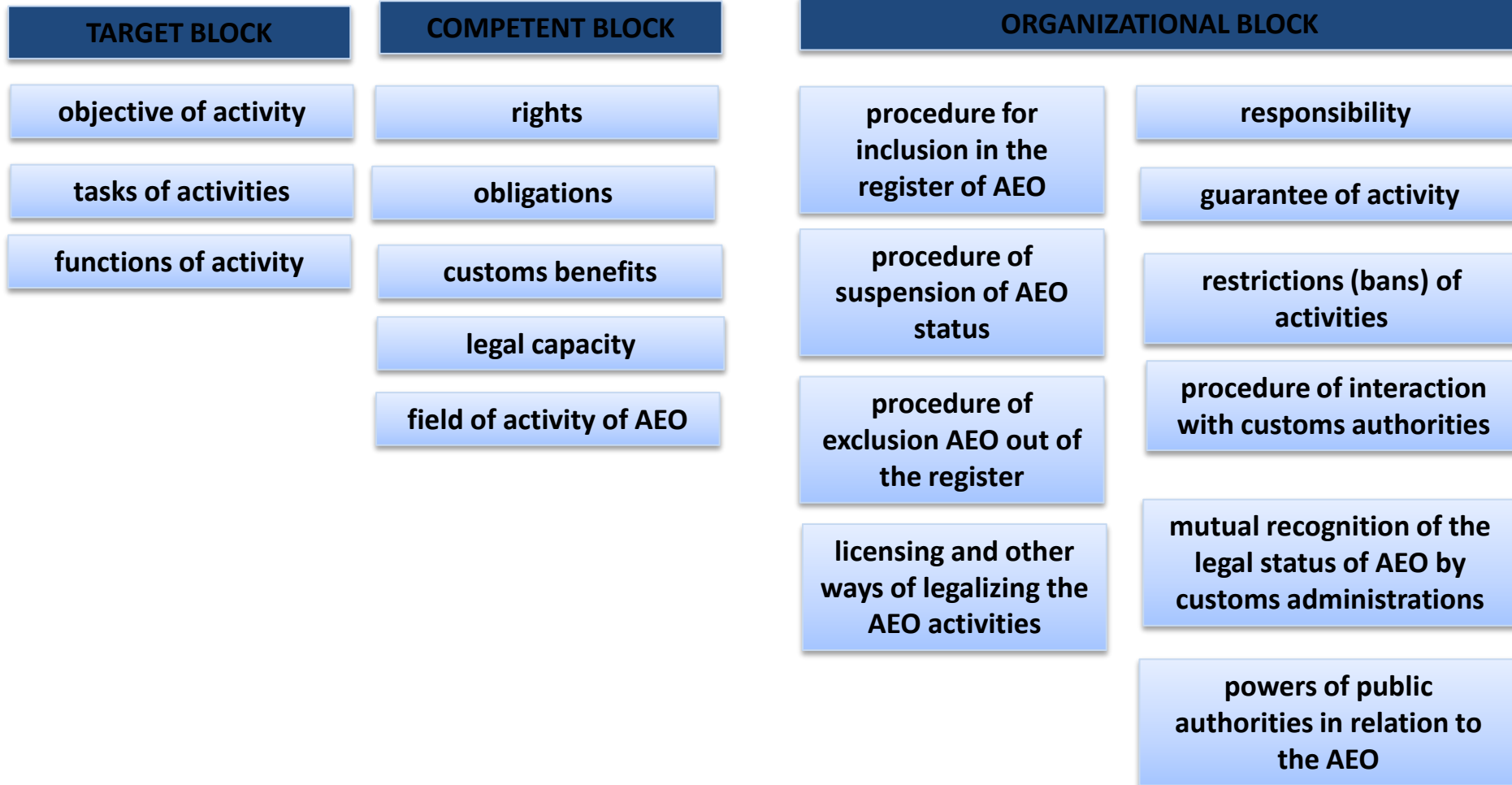
Absence of the customs control at the internal borders between the Member States of the Customs Union

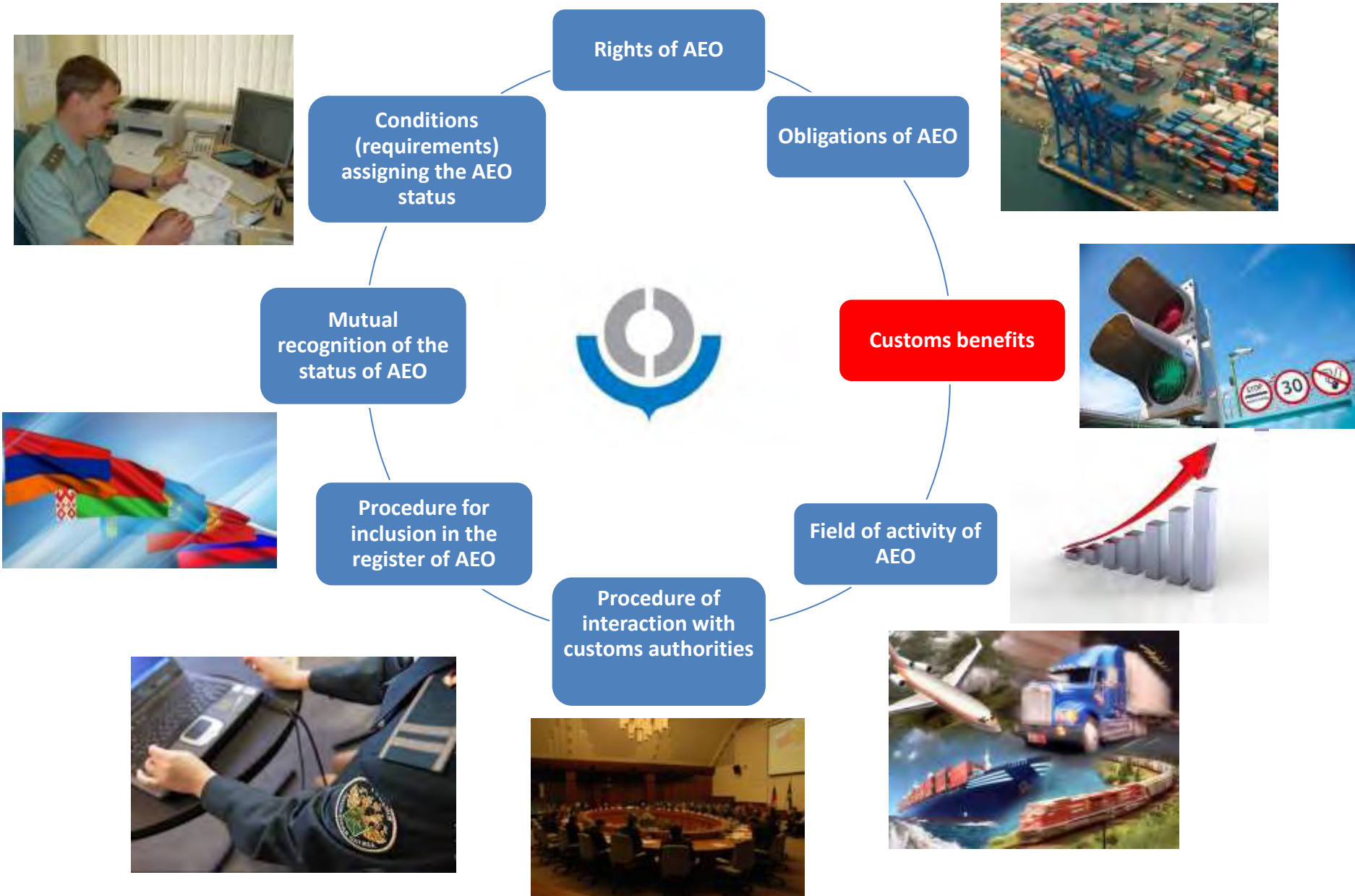
Jurisdiction of the Commission focused on the following areas:

- ✓ customs tariff and non-tariff regulation;
- ✓ customs administration;
- ✓ technical regulation;
- ✓ sanitary, veterinary and phytosanitary measures;
- ✓ collection and distribution of import customs duties;
- ✓ trade regimes with the third countries;
- ✓ foreign and mutual trade statistics;
- ✓ macroeconomic policy;
- ✓ competition policy;
- ✓ energy policy;
- ✓ transport and shipping operations;
- ✓ monetary policy;
- ✓ protection of intellectual activities results and means of individualization of manufactures, works and services;
- ✓ labour migration;
- ✓ financial markets (banking sector, insurance field, currency market, stock market);
- ✓ and many others.

STRUCTURE OF THE LEGAL STATUS OF THE AEO

6





- ✓ Development of a comprehensive AEO program in the territory of the Union;
- ✓ Improvement of the conceptual apparatus of the AEO Institute;
- ✓ Expansion of the categories of the operators - participants of the AEO programs;
- ✓ Expansion of the list of customs benefits for the AEO;
- ✓ Categorization of the AEO status;
- ✓ Improvement of conditions (requirements) for granting the AEO status, including by means of establishing unified conditions (requirements);
- ✓ The development of a single authorization procedure (for the AEO status) by customs authorities of the Member-States of the Union;
- ✓ Mutual recognition of the AEO legal status by the customs authorities of Armenia, Belarus, Kazakhstan, Kirgizstan and Russia;
- ✓ Creation of a unified information (environment) system of customs cooperation and economic operators within the AEO program.

AEO issues: Methodological approaches

- ✓ Today there are no recommendations on possible list of requirements and conditions for the AEO status, depending on the type of activity of the AEO (e.g., for the importer, exporter, owner of the bonded warehouse, customs broker);
- ✓ Accordingly, there are no recommendations on customs benefits, depending on the type of the AEO activity (for the importer, exporter, owner of the bonded warehouse, customs brokers);
- ✓ The materials of the WCO, the European Union contain a general list of criteria for the AEO status, as well as a general list of customs benefits which could be used when creating a national AEO programs. At the same time these lists are not differentiated depending on the type of activity of the economic operator;
- ✓ There are no methods of evaluating the effectiveness of receiving the AEO legal status; as well as evaluation methods, performance indicators of the company, which already received the AEO status;
- ✓ The scientific and methodological approaches for customs benefits are insufficiently developed. For example, for the countries that are just beginning to develop the AEO institute it is quite difficult to understand what means such customs benefit as «simplification of customs controls». Does it mean the reduction of forms, ways and methods of customs control; and how does it correspond to the risk management system?
- ✓ Another issue is «a financial solvency of the AEO». We understand what a «financial solvency» really is, but it is not clear methodologically in the WCO guidelines how «the financial solvency of the AEO» refers to «the financial solvency of the economic operator without AEO status». There are no practical recommendations and methodology for financial solvency in the AEO guidelines.

CONSULTATIVE COMMITTEE ON CUSTOMS REGULATION



WORKING GROUP ON THE DEVELOPMENT OF THE AEO INSTITUTE



EXPERTS OF THE
COMMISSION

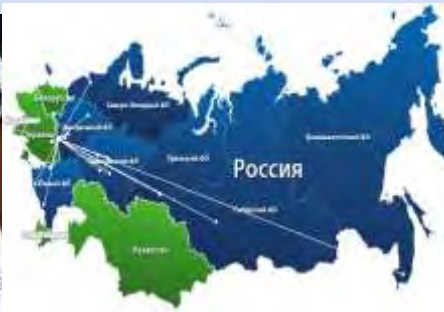
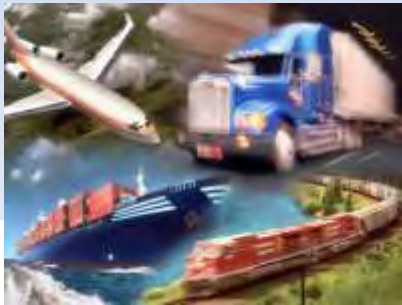
EXPERTS OF THE MEMBER-
STATES OF THE UNION

EXPERTS OF BUSINESS OF
THE MEMBER- STATES OF
THE UNION



The new Customs Code of the Union: directions of improvement of the AEO legal status

- ✓ The new Customs Code has introduced the procedures of granting, suspension and revocation of the AEO status;
- ✓ It is introduced a three-level system for categorizing the AEO, which depends on the customs benefits provided;
- ✓ Taking into account the recommendations of the World Customs Organization, the conditions for granting the AEO status are revised. For example, the Code introduces the criteria (indicators) of economic operator's activities, financial solvency, and safety requirements. The old customs code contains six criteria, and the new one – thirteen;
- ✓ The new Customs Code extended the categories of the economic operators, which may get the AEO status. For example, customs carriers, customs brokers, customs warehouses may apply to obtain this status;
- ✓ It is extended the list of customs benefits provided to the AEO. The old customs code contains three customs benefits, and in the new one this amount is extended to nine;
- ✓ The validity of the AEO status on the entire territory of the Eurasian Economic Union;
- ✓ The possibility of mutual recognition of the AEO status.



Now

Single certificate

- Temporary storage of the goods in the AEO warehouses;
- Release of the goods before lodging the customs declaration;
- Carrying out customs operations related to customs clearance of the goods in the AEO warehouses;
- Other customs benefits.

Draft of the New Customs code

Certificate of type III

- The priority order to perform customs operations; *
- To escape from producing guaranty to customs when implying customs procedure of customs transit, customs warehouse or in time of additional inspection; *
- Release of the goods before lodging the Goods declaration;
- Priority participation in pilot projects and experiments;
- Remote release of the goods; *
- Temporary storage of the goods in the AEO warehouses;
- Performance of customs operations and customs control in the AEO warehouses;
- The application of the AEO means of identification; *
- Delivery of the goods to the warehouse of the AEO; *
- Minimization of the customs control.*

Certificate of type I

Certificate of type II

* NEW CUSTOMS BENEFITS IN THE NEW CUSTOMS CODE OF THE UNION

Innovations of the AEO Institute

Customs code

**Draft of a New
Customs code**

Persons, applying for the AEO status

AEO

Declarant

AEO

Declarant

**Persons, conducting
activities in the field of
customs**

Warehouses

AEO STATUS

**Status is recognized in the
territory of a Member-State,
which granted the AEO status**

**Status is recognized in the
territory of the Union**

Procedure for determining the financial solvency of the legal entity applying to be included in the AEO register with the issuance of the certificate of the second or third type provides:

- ✓ Indicators of financial solvency of the legal entity applying to be included in the AEO register (hereinafter - the financial solvency indicators);
- ✓ Method of calculation of the financial solvency indicators of the legal entity applying to be included in the AEO register;
- ✓ The criteria of the financial solvency for the legal entity applying to be included in the AEO register;
- ✓ The procedure for calculating the aggregate index of the financial solvency of the authorized economic operator (AEO aggregate indicator).



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THANK YOU!

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