

Authorised Economic Operator (AEO)



What is AEO status?

AEO certification is an internationally recognised quality mark for companies whose customs procedures are efficient and compliant, and who can therefore be considered as secure and reliable trading partners, trusted to operate simplified customs procedures and duty relief schemes.

The 'AEO' certification is issued by HMRC to Importers, Exporters, Customs Agents and others involved in the international supply chain. Developed by the World Customs Organisation, it has become much more relevant with the changes introduced by the Union Customs Code (UCC) in 2016 and the vote to leave the EU.

What is the Union Customs Code (UCC)?

The UCC came into force on 1 May 2016. It creates a number of benefits which are only available to businesses with AEO status. These include:



Reductions in financial guarantee levels, 70% for actual customs debt and 100% for potential customs debt, resulting in cost savings



Faster application process for some customs reliefs and simplifications



Mutual recognition arrangements with third countries (such as US), resulting in potential reduced broker costs



Consignment fast tracking through customs borders.

What are the benefits of AEO status?

Businesses can apply for 2 types of AEO, without charge and both provide recognised status across the EU (subject to agreement), the US and elsewhere.

Security and Safety (AEOS): based on customs compliance, financial solvency, appropriate record keeping, and security and safety standards. Benefits include:



A lower risk score in customs' risk management systems, used to determine the frequency of customs physical and documentary checks



Consignments may be fast tracked through customs controls. They may still be subject to examination but, if so, will receive priority over non-AEOs.

Customs Simplifications (AEOC): based on customs compliance, financial solvency, appropriate record keeping, and practical standards of competence or professional qualifications directly related to the activity carried out. Benefits include eligibility for:

- (i) Moving goods in temporary storage
- (ii) A notification waiver when making an Entry in Declarant's Records
- (ii) A 70% reduction in a deferment account guarantee
- (iii) Using Centralised Clearance and Self-Assessment (when implemented)
- (iv) Accelerated applications for procedures such as Customs Freight Simplified Procedure, inward processing, customs warehousing and customs comprehensive guarantee reductions or waivers for potential debts.

What are the implications of not holding AEO status?

If you don't apply and achieve AEO status it will have an impact on your customs related activity both operationally and financially. AEO status will need to be achieved in order to benefit from EU Simplifications and negate the payment of securities and guarantees to operate customs procedures such as Customs Warehouse, CFSP and IP. It is also designed to provide businesses with an internationally recognised quality mark and increasingly, businesses from outside the EU are refusing to deal with companies that haven't acquired the AEO standard.

How do you obtain AEO status?

If you're interested in applying for AEO status or already hold it and would like further guidance, you can phone the AEO Central Site on 03000 564 556 or email them at: AEOapplications@hmrc.gsi.gov.uk

You can use the European Commission AEO database on the EC website to check who holds an AEO status and the relevant details. The European Commission website also has more AEO guidance.

Our team of Barclays Trade & Working Capital directors are experienced with dealing with companies that have undertaken the AEO application process, and are on hand to share their knowledge – as well as help businesses find experts that can provide hands on guidance on the steps needed to attain AEO certification.

You can get this in Braille, large print or audio by calling 0800 400 100* (via Text Relay or Next Generation Text Relay if appropriate). Barclays also welcomes calls via SignVideo for BSL users. Visit barclays.co.uk/signvideo

*Calls to 0800 numbers are free from UK land lines and personal mobiles, otherwise call charges may apply. Please check with your service provider. To maintain a quality service we may monitor or record phone calls. Lines are open 7 days a week, 7am to 11pm.

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