

EU Authorized Economic Operator and virtual validations

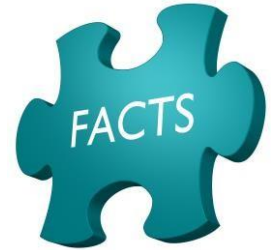


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The EU AEO Programme Trusted Traders

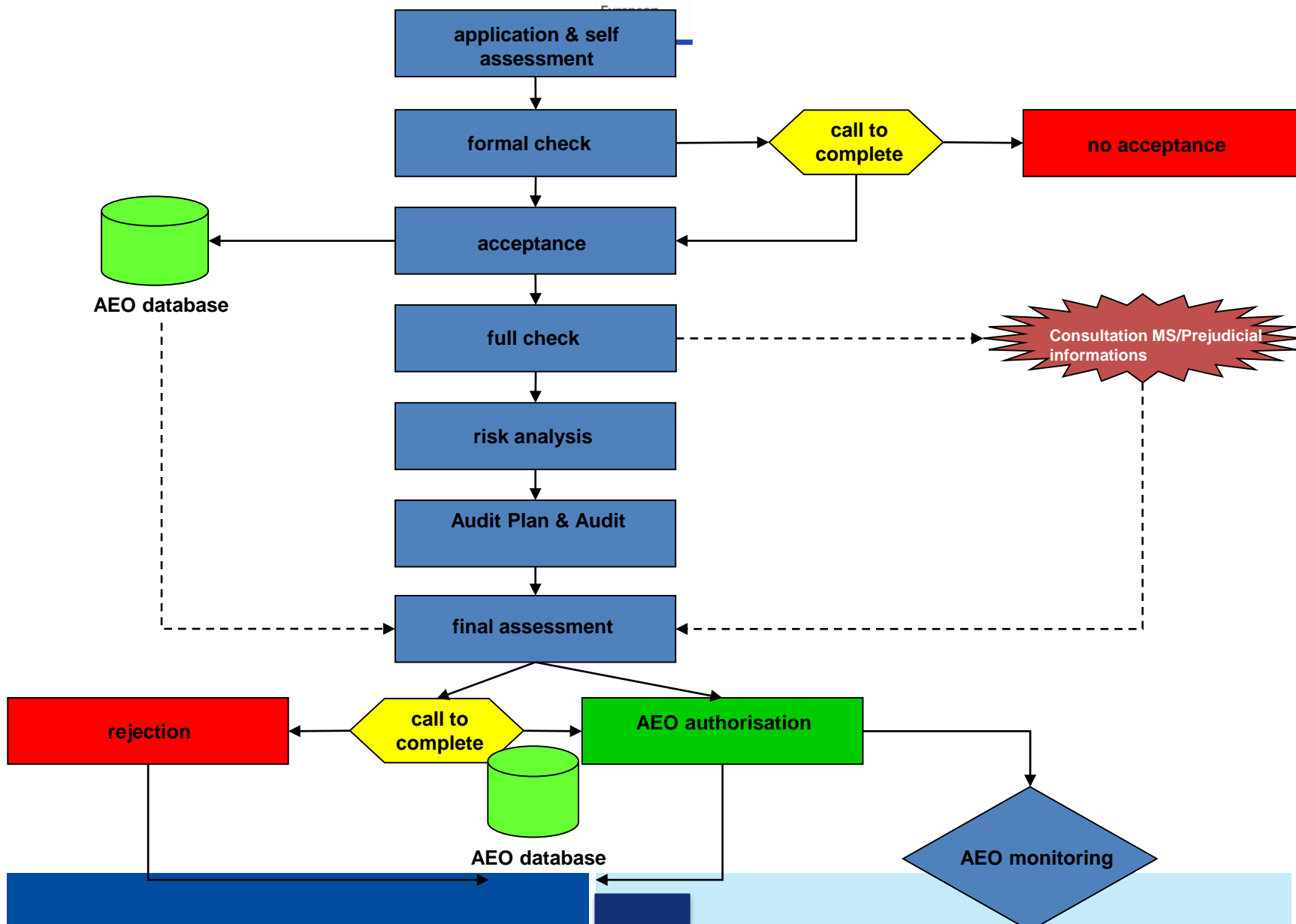


- Established in **January 2008 (EU legislation)**
- In 2022 +- **18 000 Participants** in 27 EU Member States
- **AEO benefits** for **AEO-S**(ecurity) and **AEO-C**(ustoms)
- **AEO Mutual Recognition Agreements (MRA's) signed**
with: Norway, Switzerland, Japan, U.S.A., China and U.K.

The EU AEO Programme

- *AEO Conditions/Criteria and Benefits* -

Conditions and criteria	AEOC	AEOS	Benefits
Economic operator	X	X	Fewer controls
Established in EU	X	X	Prior notification
Compliance	X	X	Priority treatment
Record keeping	X	X	Request for place for control
Financial solvency	X	X	Indirect benefits
Competence & qualification	X		Customs simplifications
Security & Safety		X	Mutual Recognition



EU AEO validations standard approach

Scope: Understand the business of the specific operator

- Identify risks
- Assess risks
- Tackle/respond to risks
- Final judgement AEO criteria
- AEO monitoring approach

Yellow	Red	Red	Red
Yellow	Red	Red	Red
Yellow	Yellow	Red	Red
Green	Yellow	Yellow	Red
Green	Green	Yellow	Yellow
Green	Green	Green	Green

EU AEO validations standard approach

1. Obtain and evaluate evidence
2. Compare the “estimated risks” with the “observed risk”.
3. Keeping into account how the operator covers his risks.
4. Consider other possible risks.
5. Assess the effectiveness of the economic operator’s risk assessment and internal control.
6. Modify the audit plan accordingly.
7. Assess and manage the remaining risks.
8. Accurately document the activities.
9. Evaluate the fulfilment of the criteria.

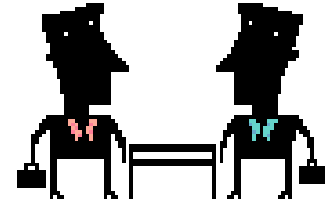


EU AEO validations different types



- **Physical validation** (on-site): preferred option!
- **Virtual validation**: remote validation in case physical validation is not possible (e.g. Covid-19 crisis) or not efficient or desirable.
- **Hybrid validation**: combination of physical and virtual validations. Mainly for reasons of efficiency.

EU AEO validations physical



- **Physical validation** (on-site): preferred option!
Validation evidence must be reliable, credible and sufficient:
 1. documented procedures and instructions.
 2. verbal information (interviews).
 3. Information from observations (security related!)

***! Physical (security) validations are the only option
in EU Mutual Recognition Agreements***

EU AEO validations virtual

- **Virtual validation:** remote validation in case physical validation is not possible (e.g. Covid-19 crisis) or not efficient or desirable. Possibilities mainly depending on company risk assessment. Option for re-validation
- use of technological solutions: live camera- or drone images. Virtual interviews.

EU AEO validations hybrid

- **Hybrid validation:** combination of physical and virtual validations. Mainly for reasons of efficiency.
- partly virtual validation of (multiple) distant AEO locations or AEO business partners.
- virtual validation is used to complement physical validation.



EU AEO validations lessons learned

- **virtual and hybrid validations** depend on technology, which require quality equipment and good planning.
- **virtual/hybrid validations** can be of additional value in validation process, but depending on company risk assessment (limited options for new AEO applicants).
- Customs should **evaluate** practical use of both types.

ANY QUESTIONS ?





THANK YOU FOR YOUR ATTENTION!

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