

An Introduction to Authorised Economic Operators (AEO)

This document should be read in conjunction with the [Instruction Manual on Authorised Economic Operators](#), published by Simplifications and Compliance Unit (AEO Section), Corporate Affairs and Customs Division (CACD), Nenagh.

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1 Introduction

The purpose of this document is to provide officers that are unfamiliar with the AEO process with an introduction to that process. The document should be read in conjunction with the Instruction Manual on Authorised Economic Operators (AEO) and is not an alternative to that manual.

2 What is an AEO?

An AEO is an “economic operator” who is authorised by Revenue because the operator is considered reliable in its customs-related operations and is therefore entitled to enjoy certain benefits throughout the European Union.

3 What is an “economic operator”?

An economic operator is a “person”, as defined under the Union Customs Code (UCC), who, in the course of their business, is involved in activities covered by customs legislation. This is not confined to “direct involvement”; for example, a manufacturer producing goods to be exported can apply for AEO status even if the import formalities are performed by another person.

4 Who may not apply for AEO status?

Examples of persons who may not apply for AEO status are:

- an EU-based supplier who distributes only goods already in free circulation to an EU-based manufacturer
- a transport operator that only moves goods already in free circulation which are not under any other customs procedure within the customs territory of the EU
- a manufacturer producing goods only for the EU internal market and using raw materials already in free circulation.

5 What are the two types of AEO authorisation?

- AEO – Customs Simplification (AEOC).
- AEO – Security and Safety (AEOS).

6 What are the benefits of AEOC status?

- Easier admittance to customs simplifications as defined in the UCC.
- Fewer physical and documentary-based controls.
- Priority treatment if selected for control.
- The possibility to request a specific place for any physical controls to be carried out.
- Faster processing of applications for authorisations for other customs decisions.

7 What are the benefits of AEO status?

- The possibility of prior notification of a control.
- Fewer physical and documentary-based controls in respect of “security and safety”.
- Priority treatment if selected for control.
- The possibility to request a specific place for any physical controls to be carried out.

Please refer to section 2 of the AEO Instruction Manual for a more complete statement of the benefits of AEOC/AEOS status.

8 Can an economic operator hold both AEOC and AEO status?

Yes.

9 To whom should application for AEO status be made?

AEO Section, Simplifications and Compliance Unit, CACD, Nenagh.

10 What are the criteria for granting AEO status?

The economic operator must:

- have an Economic Operator Registration Identification (EORI) number
- have an appropriate record of compliance with customs requirements
- have a satisfactory system of managing commercial and, where appropriate, transport records, which allows appropriate customs controls
- demonstrate proven financial solvency.

For AEOC status, the economic operator must meet practical standards of competence or professional qualifications directly related to the activity carried out.

For AEO status, the economic operator must meet appropriate “security and safety” standards.

11 What does “security and safety” mean?

The concept of “security and safety” is tied in with the concept of the international supply chain which, from a customs perspective, represents the process whereby goods are manufactured in one country, which are destined for export to a person in another customs territory. In order to obtain AEO status, the economic operator must have taken appropriate measures to secure their business and therefore be a reliable link in the international supply chain, both from the customs perspective and from the perspective of their business partners.

12 How does the application process work?

- The economic operator completes an online application form and self-assessment questionnaire (which must be attached as part of the online application process) and submits them to AEO Section.
- AEO Section carries out various checks before the application is formally accepted.
- AEO Section must accept online applications before uploading to a central EU database within 5 working days of acceptance. Other Member States can consult the database and have 35 working days to inform AEO Section of any comments they may wish to make in relation to individual applications.
- Once an application has been accepted, the standard processing time-limit is 120 calendar days. However, this can be extended by a further period of 60 calendar days if required.
- AEO Section then refers accepted applications to a control officer in the relevant region or Large Cases Division to evaluate the entitlement of the economic operator to AEO status. The evaluation work is very complex and is described in great detail in sections 4 to 9 of the AEO Instruction Manual. As part of the evaluation work, the control officer should inform AEO Section of any specific risks or controls which have been identified and which may need to be monitored on an ongoing basis.
- Once the evaluation has been completed, the control officer will provide AEO Section with a report on the economic operator, which will contain a recommendation as to whether AEO status should be granted. The format of the report is described in section 10 of the AEO Instruction Manual.
- Based on the recommendation from the control officer, AEO Section will either:
 - issue an AEO authorisation to the economic operator, in which case:
 - the authorisation will take effect on the 5th working day after its issue – there is no expiry date
 - AEO Section will update the EU central database mentioned above within 5 working days of the issue date
 - the AEO must sign a set of conditions relating to the authorisation. The AEO is obliged by the conditions to inform AEO Section of any factors that may arise that could influence the continuation of their authorisation. Specific reference may be made to those risks and controls mentioned above which are to be monitored on an ongoing basis, or:
 - refuse to issue an AEO authorisation to the economic operator, in which case the economic operator has a right to appeal (see below).

13 Monitoring of AEO status

Once AEO Section has authorised an economic operator as an AEO, the control officer will monitor the compliance of the AEO with the conditions referred to in the relevant authorisation. The monitoring function is described in detail in section 11.5 of the AEO Instruction Manual.

14 Suspension of AEO status

AEO Section will suspend AEO status where:

- it is discovered that the AEO no longer meets the qualifying criteria
- there is enough reason to believe that an act, which gives rise to criminal court proceedings and is linked to an infringement to the customs rules, has been carried out by the AEO.

See section 11.6 of the AEO Instruction Manual for a detailed description of the suspension process.

15 Revocation of AEO status

AEO Section will revoke AEO status where:

- the AEO, when suspended, fails to correct the situation which lead to the suspension
- if not suspended, the AEO commits serious infringements relating to customs rules, and where there is no further right to appeal
- the AEO requests that their authorisation be revoked.

See section 11.7 of the AEO Instruction Manual for a detailed description of the revocation process.

16 Is there a right to appeal?

Any person who is aggrieved by a written decision taken by Revenue about a customs matter covered by EU legislation may appeal such a decision. See Public Notice C&E 5 for the appeal procedures.