

The Authorised Economic Operator (AEO) programme is part of an international movement to secure the supply chain. AEO is a certificate of compliance with security, safety and customs standards as laid out by the EU. AEO's will include all exporters, importers, freight forwarders, airports, seaports integrators. While AEO is not mandatory, certification as an AEO promises to prevent delays with shipments, increased audits and difficulties trading with the US.

According to an official statement from The European Commission

"An AEO who meets the security and safety criteria is considered to be a secure and safe partner in the supply chain. This means that the AEO does everything in his power to reduce threats in the supply chain where he is involved. The AEO status enhances his reputation.

Furthermore, being a secure and safe partner in the supply chain allows facilitations from security controls. The AEO could therefore be chosen as a business partner, instead of a non-AEO, when another economic operator is looking for new business partners."

Crannagh Trade, in collaboration with the Irish Exporters Association, has been running a series of workshops to advise exporters as regards compliance with the terms of certification. There has been significant uptake on this program throughout the country, with over 65 Multinationals attending.

Crannagh suggests that although legally not obligatory, AEO is likely to become a requirement for effective trade into or out of Europe.

"The reality is that we're finding that there's a lot of downward pressure from a lot of the multinationals for their companies here who are also tying in with C-TPAT, which is essentially the American-type version of this," says Michelle Lynch of Crannagh Trade.

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AUTHORISED TO OPERATE

Securing the supply chain and becoming an AEO means securing the future of your business, according to Crannagh Trade.



L-R: Carol Lynch and Michelle Lynch of Crannagh Trade

their supply chain is secure and that nothing enters that supply chain, so the obligation is upon companies to ensure that when they apply for the certification, that their supply chain is secure," says Carol Lynch, also of Crannagh Trade. While companies may be audited, the management of certification is internal to the companies themselves.

"We think that it will be policed internally when it's up and running and it will become a new mark of quality like ISO 9000. And suppliers that you have, any customers that you have, they will have to have this AEO status," explains Carol.

AEO has been likened to the US C-TPAT scheme, which is considered to be a must for any company exporting from or importing into the US. There are similarities between the two programmes, which fall under the WCO Safe Standard and although there is a different emphasis to each, the overall and fundamental security controls are generally considered to be equivalent.

"We had our associate law firm over from the US who made a presentation on the relationship between C-TPAT and AEO. In the states when this initially came through there was an initial reaction in terms of the amount of time and money that it takes to implement. Now, since 9/11, it has become so established within the organisation and so vitally important that its nickname has become the 'Stay In Business' certification," says Carol. Securing certification involves an

entire team, as no one person will have the knowledge necessary to implement the requirements for the entire organisation. In practical terms, the application process involves going through a questionnaire, which asks the applicant whether they have certain procedures in place. If these procedures are not already in place they must be put into operation before the application is submitted.

Relevant legislation will come into effect on January 1st 2008. Application forms will be available in the next few weeks and the Revenue will be accepting applications from the 31st of October.

Crannagh's training sessions offer the opportunity to explore the basis for the requirements and the philosophy behind it. The aim is that people leave the session knowing what they have to do to attain certification. In addition, the opportunity to meet and speak with others who are preparing for certification can be very beneficial in that it helps attendees to tease out issues that they might not otherwise have considered.

*To learn more about AEO contact:
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*Crannagh & Co. are an international
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