



**REVENUE  
SERVICE**

***Authorised Economic Operator  
(AEO) Programme in Georgia***



# Introduction of the AEO Programme

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**Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part**

**Annex XIII of the Association Agreement**

**Trade Facilitation Agreement WTO**

**Article 7.7 - Trade Facilitation Measures for Authorized Operators**





# Previous Experience

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## Revenue Service trade facilitation concept - “Golden List”

- Introduced in 2008
- Use of simplified procedures when importing and/or exporting of goods to and from Georgian customs territory
- Payment of Customs Duties, Import VAT and Import Excise can be deferred for 30 days
- Place goods at economic operators' premises
- Service fee is not doubled during the non-working hours



# Customs Legislation

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- Tax code of Georgia (Article 224);
- Order № 290 of the Minister of Finance of Georgia from July 26, 2012 “On Approval Instruction for Movement and Clearance of Goods on the Customs Territory of Georgia” (CHAPTER XXI<sup>1</sup>);
- Other subordinate normative acts;



# Who can become an AEO?

Any entity (natural and legal), that is involved in activities covered by customs legislation

Such as:

- ✓ Importers
- ✓ Customs Warehouse Owners
- ✓ Exporters
- ✓ Carriers
- ✓ freight forwarders
- ✓ Etc.





# AEO Authorizations

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The status of authorized economic operator include two types of authorizations:

- 1) the authorization for simplification of the goods clearance procedures (AEOC);
- 2) the authorization for simplification of customs control based on the compliance with the safety and security requirements (AEOS);



Note: Both types of authorizations may be held at the same time.



# AEO Simplifications

**Direct and indirect benefits, available to persons holding AEO authorization:**

Simplifications	AEOC	AEOS	AEOC+AEOS	
Fewer physical and document-based controls	√	√	√	<i>Direct Simplifications</i>
Priority treatment of consignments on the border	√	√	√	
Examination of possessed goods at the point agreed in advance	√		√	
Easier admittance to customs simplifications	√		√	
Prior notification in case of selection for physical control	√	√	√	
Recognition as a secure and safe business partner	√	√	√	<i>Indirect Simplifications</i>
Improved relations with Customs and other government authorities	√	√	√	
Mutual Recognition with third countries		√	√	
Positive effects in various areas of operator's activity	√	√	√	



# AEO Criteria

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- a) economic operator has no serious infringement or repeated infringements of customs legislation and taxation rules
- b) economic operator has a satisfactory system of managing records, allowing appropriate customs controls
- c) economic operator is solvent and financially stable;
- d) economic operator has performed clearance procedures and/or economic operator meets the professional qualification requirements – only for AEOC;
- e) economic operator meets the safety and security standards – only for AEOS;

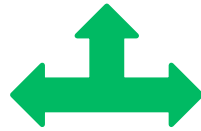




# AEO monitoring and Re-assessment

## Customs Post Clearance Audit Division

**Monitoring of the AEOs**



- operational information
- case of legislative changes
- structural reorganization of the operator

**Full reassessment of the authorization shall be carried out every 3 years**





# AEO Implementation

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## Working on:

- Self-Assessment Questionnaire (SAQ) and its explanatory notes;
- Instruction of the procedures concerning AEO (draft);



# AEO Implementation

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## Plans:

- Drafting guidelines
- Trainings for the Post-Clearance Audit Division staff
- Awareness-raising activities/campaigns
- Mutual Recognition Agreements
  - Feasibility
  - Consultation
  - Negotiation



# THANK YOU FOR YOUR ATTENTION

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