



## AEO Programme in Turkey

# Turkey's Strategic Vision



Turkey's strategic vision for customs and foreign trade is to enhance its commercial activities towards making them **easier and safer!**



**Authorised  
Trader**

**Authorised  
Economic Operator**

# Timeline for the AEO Programme



- ✓ Implementation preparations were initiated in March 2012.
- ✓ The program was launched on January 10<sup>th</sup> 2013.
- ✓ Guidelines and handbooks for the AEO Programme were published in January 2013
- ✓ Regional Seminars on the AEO Programme were held as of January 2013
- ✓ The first applications for AEO certification was received in April 2013
- ✓ First AEO certificate was issued on September 23 2013
- ✓ Legislation was amended on May 15<sup>th</sup> 2014

# How the AEO Programme was Developed



- The WCO AEO Implementation Guidance, AEO provisions in the CCIP, the AEO Guidelines (EC) were studied.
- AEO programmes in various EU member states, the AEO programme in Korea, and the C-TPAT programme in the USA were examined.
- Activities regarding simplified procedures and the AEO status were carried out under the TWINNING project for risk management.
- Workshops were arranged with the Dutch and Korean customs administrations.
- Meetings were held with various government institutions, traders and trade representative bodies.
- On location surveys were carried out at the premises of various exporters and consignors
- The legislation regarding the AEO programme was drafted.

# AEO Programme in Turkey



## What we have done;

- ✓ Created the procedures for new simplifications
- ✓ Organized the functions at customs offices
- ✓ Determined the eligibility criteria
- ✓ Designated the certification process
- ✓ Prepared the Self Assessment Form

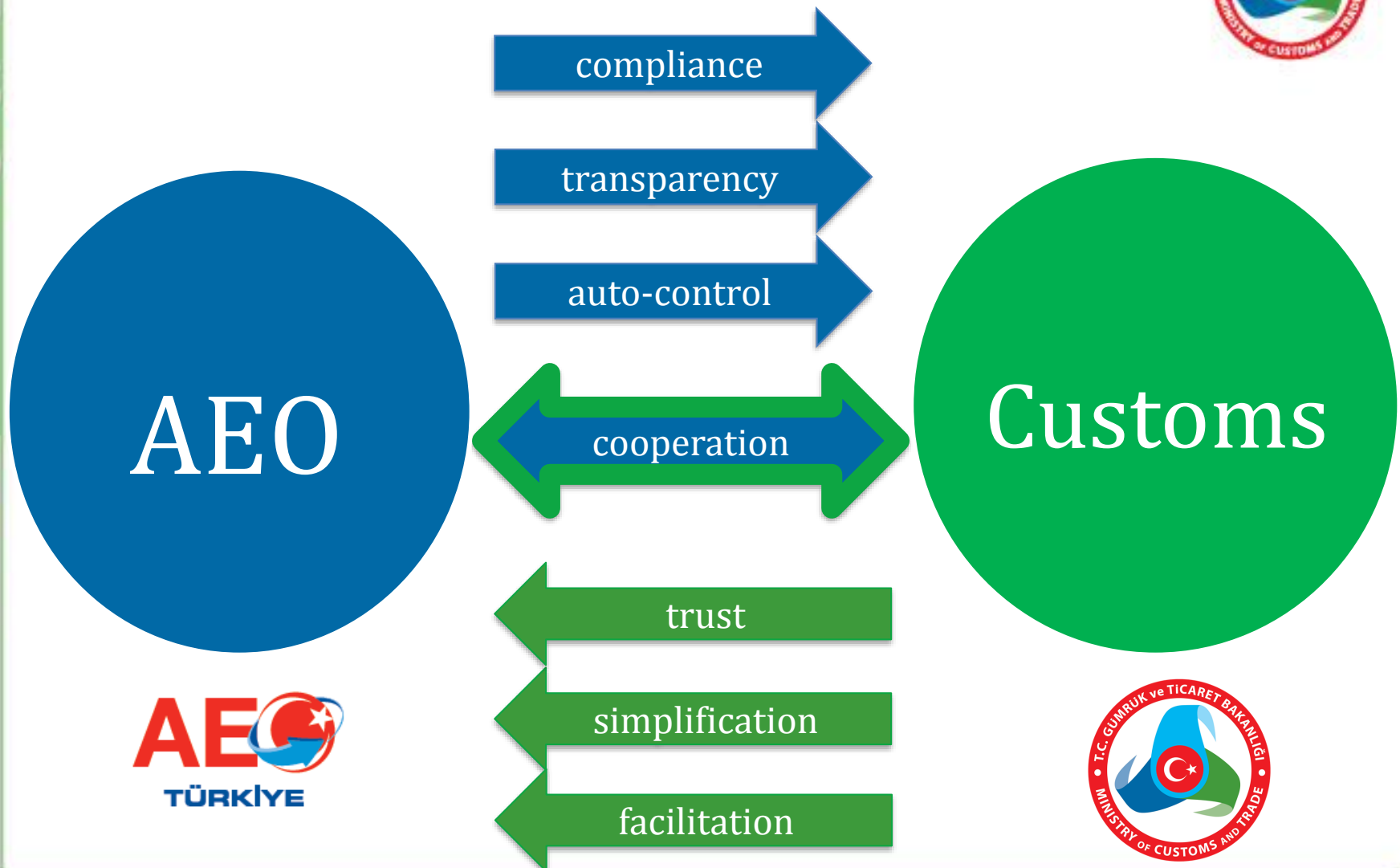


# What is the AEO Programme?



- ✓ The AEO programme is primarily a trade facilitation measure. Operators established in Turkey, that meet specific qualifying criteria, may apply for and receive AEO certification.
- ✓ The aim of the AEO programme is to enhance security through granting recognition to reliable operators and encouraging best practice at all levels in the international supply chain.
- ✓ The Authorised Economic Operator programme has been applicable in Turkey as of **10 January 2013**.

# What is the AEO Programme?





# What is the AEO legal basis?



- ✓ The detailed provisions are laid down in the Customs Law Implementing Provisions for the Facilitation of Customs Procedures published in the Official Journal of the Republic of Turkey dated January 10 2013 and amended as of May 15 2014.
- ✓ This regulation contains provisions on authority for certification, application and evaluation processes, requirements and criteria for AEOs, benefits of the status and suspension/revocation of the certificate.



# Who can apply for an AEO status?



Real or legal persons who;

- ✓ are established within Turkey (free zones included),
- ✓ have been in operation for at least 3 years and have carried out customs related procedures of no less than 100 declarations within the previous year of application,
- ✓ have an adequate traceable documentation system,
- ✓ have financial solvency,
- ✓ practise the necessary safety and security measures.

# What are the basic criteria for granting AEO status?



- ✓ An appropriate record of compliance with customs requirements,
- ✓ A satisfactory system of managing commercial and transport records,
- ✓ Financial solvency,
- ✓ Security and safety standards.



# The Record of Compliance with Customs Requirements-1



✓Judicial Reliability: The applicant's board of management, legal representatives in customs and foreign trade related matters, and major share holders shall not have any criminal record related to serious criminal and/or financial offences.



# The Record of Compliance with Customs Requirements-2



✓ Customs Compliance: The applicant shall have committed no serious infringement or systematically repeated infringement of customs rules and regulations.



# Traceable and Reliable Records



To enable an appropriate and efficient customs control;

- ✓ Applicants should have a satisfactory system of managing commercial and transport records.
- ✓ An applicants accounting system should :
  - be consistent with generally accepted accounting principles.
  - facilitate audit-based customs control.



# Financial Solvency-1



- ✓ Financial solvency of applicant should be proven for the past three years.
- ✓ Financial solvency should be certified by a chartered certified accountant.
- ✓ There should be no declaration of insolvency.



# Financial Solvency-2



- ✓ The applicant shall have no;
  - customs duty and customs penalty debt
  - tax and tax penalty debt
  - social security premium debt





# Security and Safety Standards



- ✓ Appropriate access control measures (to prevent unauthorized access to shipping areas loading docks and cargo areas)
- ✓ Measures to prevent exchange or loss of goods.
- ✓ Measures allowing a clear identification of his business partners (in order to secure ISC)
- ✓ Periodic security background checks for employees



# Benefits of AEO Status-1



**AEO**

**Customs  
Simplifications**



**Facilitations of  
Customs Control  
Relating to Security  
and Safety**

## Benefits of AEO Status-2



- ✓ Be given a lower risk score for risk profiling within the risk management system
- ✓ Be given priority treatment if physical or paper based controls are to be conducted
- ✓ Reduced data sets for entry and exit summary declarations
- ✓ Submit declaration with incomplete documentation

## Benefits of AEO Status-3



- ✓ Guarantee facilitations (comprehensive or reduced guarantee)
- ✓ Green line facilitation (no physical or paper-based controls)
- ✓ Right of local clearance for import and export regime (only AEOs)
- ✓ Right of authorized consignor and consignee (only AEOs)
- ✓ Right to issue A.TR certificates and invoice declarations as “Approved Exporters”

## Benefits of AEO Status-4



- ✓ Waiver of customs laboratory report requirements for certain goods
- ✓ The right to use the results of customs laboratory reports for the same goods for a period of six months for certain goods
- ✓ Priority right of passage at customs checkpoints
- ✓ Use of the AEO logo

# Mutual Recognition Agreements



- ✓ The greatest benefit arises when Mutual Recognition Agreements (MRA) are signed with other countries.
- ✓ MRAs provide AEO certificates to be recognized between parties and deliver the safety and security based facilitations to the recognized AEO certificates of the co-signed country.
- ✓ Turkey signed an MRA with Korea on June 9th 2014.
- ✓ Turkey is currently negotiating an MRA with Kazakhstan

# Duration of Validity of the Certificate



- ✓ There is **no expiry date** for an AEO Certificate, except;
- ✓ An AEO is legally obliged to inform the competent customs authority of significant events that could affect his/her authorisation.
- ✓ Authorisations will also be subject to review if any of the following occur:
  - Major changes to the relevant legislation.
  - Reasonable indication that the relevant conditions and criteria are no longer being met by the AEO.
- ✓ Periodical evaluation to determine whether the AEO criteria continues to be met or not will also be carried out.



# Preparation for AEO application-Self Assessment



Companies applying for the AEO Status show their performance through a **Self Assessment Form** which includes questions about:

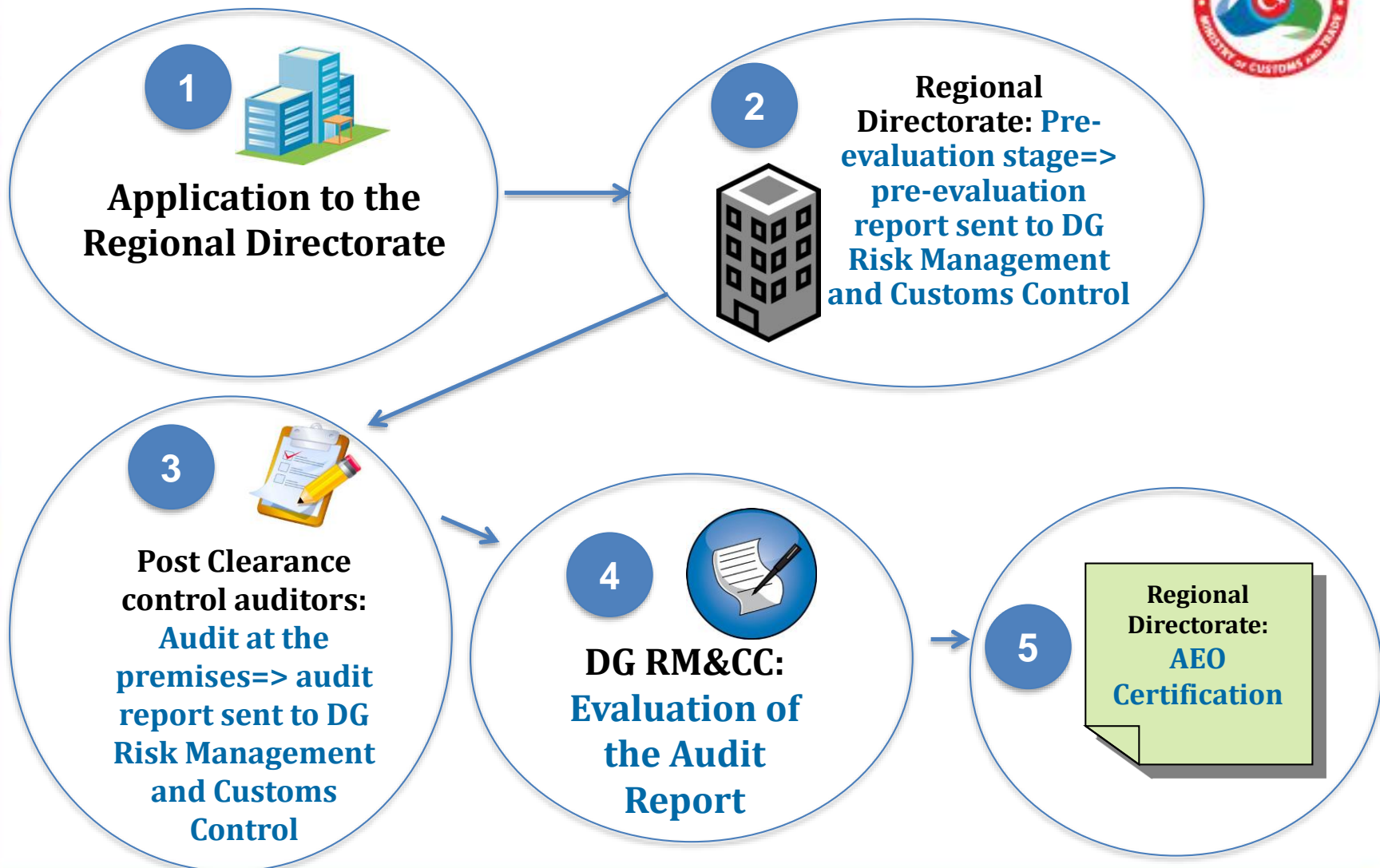
- How records are kept
- Internal control procedures
- Customs compliance
- Safety and security of premises and cargo units
- Safety and security of goods
- Supply chain security
- Personnel security

# Application and Evaluation Process



- ✓ Application with required documents to Regional Directorate
- ✓ Pre-evaluation by regional directorate:
  - Examination of submitted documents and database query
- ✓ Audit by central post clearance auditors:
  - Through audit at the premises.
- ✓ Evaluation by DG Risk Management and Customs Control:
  - Grading of the results of the audit report
- ✓ Issuing of Certificate by the Regional Directorate

# Basic Flow-Chart for Certification



# Promoting and Supporting the AEO Programme



- A series of training seminars about the details of the AEO Programme were carried out in eight major cities. Various economic operators/trade representation bodies/customs brokers attended these seminars.
- Training programmes covering the AEO Status for customs staff and economic operators were prepared
- Training seminars for “pre-evaluation” were carried out
- AEO guidelines for both customs authorities and economic operators were prepared to ensure a common understanding and uniform application of the legal provisions for the AEO Concept
- A booklet covering 150 Questions and Answers regarding the AEO programme was published
- A manual for the AEO certificate application procedure was published
- A manual for the pre-evaluation stage by the Regional Directorates was published

# The AEO Programme-Moving Forward



**1-** In the Ministry of Trade, Directorate General for Risk Management and Customs Control, there is a “Trade Facilitation Department” which is covering the AEO Programme, and the staff working in this division have specialised knowledge about the AEO concept.

**2-** Currently there are 379 AEO certificate holders in Turkey

**3-** We have started to prepare an IT system for receiving and evaluating AEO applications and issuing AEO certificates in an electronic medium.

**4-** The Turkish Customs Administration is currently carrying out preparations for mutual recognition agreement negotiations with other parties which have an AEO programme.



# THANK YOU FOR YOUR ATTENTION!

MINISTRY OF TRADE  
DG RISK MANAGEMENT AND CUSTOMS CONTROL  
DEPARTMENT OF TRADE FACILITATION