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**THE INSTITUTION OF THE AUTHORISED ECONOMIC  
OPERATOR - FACILITATING ECONOMIC ACTIVITY  
AND MINIMIZING THE RISK OF COMPROMISING  
THE SECURITY OF THE TRADE FLOW IN GOODS  
IN THE INTERNATIONAL TRADE**

**Introduction**

The functioning of the international trade in goods would not be possible without developed supply chains. The international supply chain is a set numerous elements cooperating in various functional areas that is composed of economic operators at particular stages of trade as well as flows of products, information, and financial assets which take place between them. Each economic operator becomes a participant of the international supply chain, regardless of the stage of trade – from the production of goods to delivering them to the consumer living in a different customs territory. An economic operator in a particular chain can perform more than one role or can be a part of numerous supply chains at the same time. The flow of goods in the international supply chain is of fundamental importance in the area of security and safety. Liberalisation of trade has a significant impact on the functioning of supply chains – within the European Union, one of the major goals of all Member States is achieving one, uniform, internal market, which guarantees security and safety of trade despite the lack of controls at its internal borders. A safe supply chain is an important source of benefits and profits for an operator running their business

in accordance with the legal regulations. Nevertheless, increasingly more complex supply chains, as well as the ever-growing disparities between particular economies, constitute an impulse for abuse. Consequently, among all economic entities engaged in the international trade, there are economic operators who intentionally disregard regulations in order to gain profits or a competitive advantage quickly. Therefore, customs authorities, holding full competence within the supervision and control of all goods transited across the border, constitute the first barrier against an influx of undesirable goods into the EU market. What is of key importance to economic operators in the process of customs clearance is mainly the way in which control activities are performed. Customs controls are often perceived negatively from the perspective of economic operators. Therefore, solutions aimed at reduction of barriers and implementation of innovative solutions streamlining customs procedures, as well as an increase in supply chain security, are not only expected but rather desired by economic operators. For this purpose, the concept of the authorised economic operator was introduced. The aim of the paper is to characterise the institution of the Authorized Economic Operator and assess its influence on the facilitation, as well as security and safety of economic activity in the international trade. The methods of descriptive and comparative analysis have been employed in conducting this research.

The considerations presented in the article constitute an attempt at addressing research shortfalls related to the issues examined in the paper, which are undertaken rather rarely and knowledge of them is not widely disseminated, which, in turn, results in an insufficient number of scientific papers on the topic.

### **Formal and legal conditions for the reduction of barriers in customs processing in the context of trade security**

In the modern environment of the international trade in goods, great attention is paid to make economic operators undertaking business activity globally confident that they will be able to rely on universally recognised rules – including those related to facilitation and safety of trade in supply chains<sup>1</sup>. The origins of reduction of barriers in customs procedures within the EU date back to 2005 when the World Customs Organization (WCO) introduced the SAFE Framework of Standards to Secure and Facilitate Global Trade (WCO SAFE Framework)<sup>2</sup>. The standards were a response to an increased terrorist threat and a sign of WCO's interest in the ongo-

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<sup>1</sup> M. Czermińska, J. Świerczyńska, *Bezpieczeństwo i ułatwienia w obsłudze celnej w transatlantycznych łańcuchach dostaw – wzajemne uznawanie standardów ochrony UE i USA*, [in:] *Europa w globalnym świecie: uwarunkowania i perspektywy integracji transatlantycznej*, Studia i Materiały. Miscellanea Oeconomicae, No. 1, Uniwersytet Jana Kochanowskiego w Kielcach, 2018.

<sup>2</sup> *SAFE Framework of Standards to secure and facilitate global trade*, World Customs Organization, [http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/safe\\_package.aspx](http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/safe_package.aspx) [access: 15.05.2018].

ing processes within the global market, through activities aimed at safeguarding the international supply chain and, at the same time, introducing simplifications in trade. In the same year, high requirements in the area of security and safety, but not disrupting to lawful trade, were introduced to the EU legal system. The European Commission introduced the so-called “security amendment” to the Community Customs Code (CCC)<sup>3</sup> and advised the establishment of an equivalent level of protection in customs controls as well as its uniformity by the Member States, based on commonly agreed standards and risk criteria for the selection of goods and economic entities in order to minimise the risks to the Union, its citizens and to the EU’s trading partners. One of the chief elements of the “security amendment” was the introduction of the concept of the Authorised Economic Operator (AEO). In response to the changes adopted in CCC, a common framework for the supply chain risk management has been prepared<sup>4</sup>. A key factor contributing to the simplification of customs procedures was the decision on the electronic customs system<sup>5</sup>, the implementation of which was made possible thanks to the e-Customs Programme. The e-Customs initiative, implemented since 2009, refers to a paper-free customs environment and its main goal is to create such legislative, organizational and information and communication technologies frameworks within the European customs union territory that will make the customs process streamlined and more business-friendly in the area of the duty collection, commodities trading as well as international trade security. The role of customs authorities in terms of guaranteeing security and safety was acknowledged and clearly stated in regulations of the Union Customs Code<sup>6</sup> (UCC): “Customs authorities shall be primarily responsible for the supervision of the Union’s international trade, thereby contributing to fair and open trade, to the implementation of the external aspects of the internal market, of the common trade policy and of the other common Union policies having a bearing on trade, and to overall supply chain security “. Measures put into place in order to carry out the above mission statement include, among other things, protecting the EU from unfair and illicit trade while supporting legitimate business activity, as well as maintaining a proper balance between customs controls and facilitation of lawful trade<sup>7</sup>.

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<sup>3</sup> Regulation (EC) No 648/2005 Of the European Parliament and of the Council of 13 April 2005 amending Council Regulation (EEC) No 2913/92 establishing the Community Customs Code, Official Journal of the European Union L 117 of 04.05.2005.

<sup>4</sup> European Commission, Communication from the Commission to the European Parliament, the Council and the European Economic and Social Committee on Customs Risk Management and Security of the Supply Chain, Brussels 2013.

<sup>5</sup> Decision No 70/2008/EC of the European Parliament and of the Council of 15 January 2008 on a paperless environment for customs and trade, Official Journal of the European Union L 23/21, 2008.

<sup>6</sup> Regulation (EU) No 952/2013 of the European Parliament and of the Council of 9 October 2013 laying down the Union Customs Code (recast), Official Journal of the European Union L 269/1, 2013, Article 3.

<sup>7</sup> *Ibidem*.

The institution of the AEO was created as a response to other existing programmes, including: in the U.S.: C-TPAT (Customs-Trade Partnership Against Terrorism, established in 2001)<sup>8</sup>, Container Security Initiative CSI (instituted in 2002)<sup>9</sup>, in Australia: Frontline (created in 1991)<sup>10</sup>, Accredited Client Program (laid down in 2001)<sup>11</sup>, in Canada: Partners in Protection (started in 1995)<sup>12</sup>, The Customs Self Assessment Program (CSA, introduced in 2001)<sup>13</sup>.

## **The Authorised Economic Operator programme – customs processing facilitation in secure and safe supply chains**

### *The essence of the institution of the Authorised Economic Operator*

The institution of the Authorized Economic Operator was established in 2005<sup>14</sup>, however, it was really implemented in the working procedures as late as 1 January 2008<sup>15</sup>. Due to a reform of the customs law, on 1 May 2016, the legal basis regulating the status of the Authorised Economic Operator changed and currently it is laid down in the Union Customs Code and the so-called ‘UCC legal package’ i.e. the commission delegated regulation<sup>16</sup>, the commission implementing regulation<sup>17</sup> as well as the supplementing commission delegated regulation<sup>18</sup>. The regulations normalize the procedure of granting the AEO status, conditions and

<sup>8</sup> <https://www.cbp.gov/border-security/ports-entry/cargo-security/ctpat> [access: 27.07.2018].

<sup>9</sup> <https://www.cbp.gov/border-security/ports-entry/cargo-security/csi/csi-brief> [access: 27.07.2018].

<sup>10</sup> <https://www.homeaffairs.gov.au> [access: 27.07.2018].

<sup>11</sup> <http://www.clientdisplay.com/bmr/pdf/Accredited%20Clients%20Programme-%20Benefits%20&%20Challenges.pdf> [access: 27.07.2018].

<sup>12</sup> <https://www.cbsa-asfc.gc.ca/security-secure/pip-pep/menu-eng.html> [access: 27.07.2018].

<sup>13</sup> <https://www.cbsa-asfc.gc.ca/prog/csa-pad/menu-eng.html> [access: 27.07.2018].

<sup>14</sup> Regulation (EC) No 648/2005, *op. cit.*

<sup>15</sup> Commission Regulation (EC) No 1875/2006 of 18 December 2006 amending Regulation (EEC) No 2454/93 laying down provisions for the implementation of Council Regulation (EEC) No 2913/92 establishing the Community Customs Code, Official Journal of the European Union L 360/64, 2006.

<sup>16</sup> Commission Delegated Regulation (EU) 2015/2446 of 28 July 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards detailed rules concerning certain provisions of the Union Customs Code, Official Journal of the European Union L 343 of 29.12.2015.

<sup>17</sup> Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015 laying down detailed rules for implementing certain provisions of Regulation (EU) No 952/2013 of the European Parliament and of the Council laying down the Union Customs Code, Official Journal of the European Union L 343 of 29.12.2015.

<sup>18</sup> Commission Delegated Regulation (EU) 2016/341 of 17 December 2015 supplementing Regulation (EU) No 952/2013 of the European Parliament and of the Council as regards transitional rules for certain provisions of the Union Customs Code where the relevant electronic systems are not yet operational and amending Delegated Regulation (EU) 2015/2446, Official Journal of the European Union L 69 of 15.03.2016.

criteria which are to be satisfied for an applicant to receive such a status, duties of parties to the agreement i.e. customs authorities and economic operators, as well as benefits resulting from the AEO. The customs law reform, despite its numerous significant changes for participants of the international trade, did not bring any revolutionary alterations for the institution of the AEO itself – mainly modifications of conditions and criteria for AEO applicants and the catalogue of benefits arising from holding this certificate.

In line with the current regulations, the AEO status is granted to an economic operator who is regarded as reliable, credible, solvent in terms of customs operations; an operator whose organization, infrastructure and security measures of IT systems and storage buildings provide security and safety of places and goods as well as prevent unauthorised access to them. Thus, such an operator is entitled to benefiting from a number of simplifications provided for under the customs rules and/or facilitations with regard to the customs controls relating to security. It is worth mentioning that possessing the AEO certificate is not an obligation but rather a right of a trader. The AEO initiative is open for all operators within the European customs union and the decision to participate in the initiative lies entirely in the hands of a given operator<sup>19</sup>.

The confirmation of being awarded the status of the authorised economic operator is a certificate issued by customs authorities. For the first eight years of the programme, the regulations distinguished between three types of certification: AEO certificate – customs simplifications (AEOC status), AEO – security and safety (AEOS status) and AEO certificate – customs simplifications/security and safety (AEOF status)<sup>20</sup>. The UCC regulations modified it, formally limiting the number of authorisations to two types. In accordance with the current legal norms, the status includes two types of authorisations: 1) economic operators authorised for customs simplification (AEOC authorisation) and 2) economic operators authorised for security and safety (AEOS authorization)<sup>21</sup>. However, a trader may simultaneously hold two certificates and, in practice, this combination retains the marker previously referring to the certificate: customs simplifications/security and safety i.e. AEOF.

The AEO status is granted upon an application of an economic operator established in the union customs territory<sup>22</sup> and meeting the following, common to the two types of authorisation, criteria<sup>23</sup>: compliance with customs and tax regulations; an effective system of managing commercial and, in certain cases,

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<sup>19</sup> J. Świerczyńska, K. Budzowski, *Instytucja Upoważnionego Przedsiębiorcy w Unii Europejskiej*, [in:] *Integracja i kryzys na lokalnych i globalnych rynkach we współczesnym świecie*, eds. J. Rymarczyk, M. Domiter, W. Michalczyk, Wrocław 2013, p. 341.

<sup>20</sup> Commission Regulation (EC) No 1875/2006..., *op. cit.*, Article 14 a.

<sup>21</sup> Regulation (EU) No 952/2013, *op. cit.*, Article 38.

<sup>22</sup> *Ibidem*, Article 39.

<sup>23</sup> *Ibidem*.

transport records, which allows appropriate customs controls; proven financial solvency. For the AEOS certificate, an additional requirement is satisfying the security and safety standards. These criteria refer to: building security – an applicant operator must ensure that the location and materials of the building resist unlawful entry; appropriate access controls – access control measures ought to prevent unauthorised access of persons and vehicles to shipping areas, loading docks etc.; cargo security – an operator should have at their disposal measures for the handling of goods which will guarantee the cargo's integrity; business partner security – identification and appropriate knowledge about business partners; personnel security – clear recruitment procedures and periodic background checks of employees working in security sensitive positions)<sup>24</sup>. Furthermore, on 1 May 2016, a new criterion was introduced with regard to the AEOC status i.e. meeting practical standards of competence or professional qualifications directly connected with the performed business activity. For the sake of uniformity, the criteria for granting the status were thoroughly characterised for particular types of authorisation in the commission implementing regulation to the UCC<sup>25</sup>. The modification of criteria for applicants, being a consequence of the reform of the union customs law, has necessitated the need for re-evaluation of statuses granted before 1 May 2016. In practical terms, it means that all certificates will have to be revised, for which the customs authorities have been given three years i.e. until May 2019<sup>26</sup>. Authorised Economic Operator certificates are issued free of charge, for an indefinite period, provided that the operator still satisfies the criteria imposed by the law. Not meeting these requirements constitutes a condition for partially or completely suspending it. AEO certificates may also be rescinded by authorities or upon a holder's request.

The overriding rule is that the AEO status granted in one EU country is valid in all Member States<sup>27</sup>. In practical terms, it means that an AEO trader benefits throughout the EU, regardless of the place of issuing the certificate. At the same time, EU regulations allow for concluding reciprocal agreements acknowledging the AEO status with external countries<sup>28</sup>. The goal of mutual recognition is acknowledging the compliance of programme for a trade partnership of the customs administration of an external country and committing oneself to treating AEO operators on the basis of reciprocity, within the borders of feasibility and possibility. It is worth stressing that a condition for holding the AEO status is acquiring the AEOS (security and safety) authorisation or the combined authorisation – AEOF. To date, the European Union has signed mutual recognition agree-

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<sup>24</sup> Commission Implementing Regulation (EU) 2015/2447..., *op. cit.*, Article 28.

<sup>25</sup> *Ibidem*, Article 24–28.

<sup>26</sup> *Ibidem*, Article 345.

<sup>27</sup> Regulation (EU) No 952/2013, *op. cit.*, Article 38.

<sup>28</sup> *Ibidem*.

ments on AEO status with Switzerland<sup>29</sup>, Norway<sup>30</sup>, Japan<sup>31</sup>, the United States of America<sup>32</sup>, China<sup>33</sup>. In 2017, the value of imports to the EU from third countries amounted to EUR 1,879 bn, whereas EU exports to third countries – 1,859 bn. The volume of trade is constantly on the rise, which calls for close cooperation between the Union and third countries both, in terms of customs regulations, as well as trade facilitation<sup>34</sup>. Therefore, it is of the essence to further strengthen the status of the Authorised Economic Operator in the EU itself, but also to mutually recognise programmes of authorised operators with other countries.

### ***Simplifications for Authorised Economic Operators***

According to T. Michalak, customs facilitation are activities undertaken by customs authorities or other relevant agencies that are intended to reduce the administrative burden for parties to the international trade<sup>35</sup>. The principal rule is that facilitations and simplifications resulting from the AEO authorisation apply to the applicant and their own economic activity – only the Authorised Economic Operator may benefit from the programme, the status cannot be used by other entities. The catalogue of rights varies and depends on the type of certificate (table

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<sup>29</sup> Agreement between the European Community and the Swiss Confederation on the simplification of inspections and formalities in respect of the carriage of goods and on customs security measures, Official Journal of the European Union L 199 of 31.07.2009.

<sup>30</sup> Decision of the EEA Joint Committee No 76/2009 of 30 June 2009 amending Protocol 10 on simplification of inspections and formalities in respect of carriage of goods and Protocol 37 containing the list provided for in Article 101, Official Journal of the European Union L 232 of 03.09.2009.

<sup>31</sup> Decision No 1/2010 of the Joint Customs Cooperation Committee of 24 June 2010 pursuant to Article 21 of the Agreement between the European Community and the Government of Japan on Cooperation and Mutual Administrative Assistance in Customs Matters regarding mutual recognition of Authorised Economic Operators programmes in the European Union and in Japan, Official Journal of the European Union L 279 of 23.10.2010.

<sup>32</sup> Decision of the US-EU Joint Customs Cooperation Committee of 4 May 2012 regarding mutual recognition of the Customs-Trade Partnership Against Terrorism program in the United States and the Authorised Economic Operators programme of the European Union, Official Journal of the European Union L 144 of 05.06.2012.

<sup>33</sup> Decision of the Joint Customs Cooperation Committee established under the agreement between the European Community and the government of the People's Republic of China on cooperation and mutual administrative assistance in customs matters of 16 May 2014 regarding mutual recognition of the Authorised Economic Operator programme in the European Union and the Measures on Classified Management of Enterprises Program in the People's Republic of China, Official Journal of the European Union L 315/46 of 1.11.2014.

<sup>34</sup> Communication from the Commission to the Council and the European Parliament First Biennial Report on Progress in Developing the EU Customs Union and its Governance, COM(2018) 524 final, Brussels, 5.7.2018, p. 14.

<sup>35</sup> T. Michalak, *Control or facilitation? Customs policy false dilemma. Modern concepts of Customs measures as a response to policy dilemmas*, [in:] *Polityka celna. Ekonomia. Prawo. Praktyka*, eds. E. Gwardzińska, A. Werner, J. Wierzbicki, Wyd. BW J. Brodziński, Szczecin 2014, p. 367.

1). An AEO operator who wishes to benefit from a simplification to which they are entitled must provide the EORI number (Economic Operators Registration and Identification).

Table 1. AEO authorisation benefits

Benefit type		AEOC	AEOS
Fewer physical and document-based controls	Customs controls related to security & safety		x
	Customs controls related to fiscal threats	x	
	Control of declarations after release of goods	x	x
Priority treatment if selected for control		x	x
Easier admittance to customs simplifications		x	
Prior notification in case of selection for control			x
Possibility to request a specific place for customs controls		x	x
AEO status recognition	within EU territory	x	x
	mutual recognition with third countries, based on agreements		x
Facilitations in the process of application for a registered agent, known consignee and authorised consignee			x

Source: Author’s own elaboration based on the regulations of the Union Customs Code and the Commission Delegated Regulation (EU) 2015/2446.

Apart from the simplifications resulting from the EU legislation, customs authorities introduced additional rights – privileges of organisational and technical nature, the so-called “good practices” on the national level. They include: priority processing of customs declarations and all kinds of requests (priority service), designated places for customs procedures; separate lanes at border crossings, newsletters (information sent via e-mail), more optional facilitations for operators which are issued simplified procedures privileges, fewer attachments for applications, facilitations in the area of the so-called “official sealing” VAT treatment in the tax return, chance to participate in the so-called ‘essential prevention’ programme (i.e. meetings in which potential problems are discussed).

It is also worth pointing out other AEO benefits that are not directly related to the customs procedures and for this reason, have not been incorporated into the regulations. The so-called ‘indirect’ benefits include: reduced theft and losses; fewer delayed shipments; improved process of planning; improved customer service; recognition as a reliable business partner and, consequently, improved customer loyalty; rational management of regulations; improved commitment of employees; reduced number of incidents related to security and safety; lower inspection costs of suppliers; improvement of security and safety as well as better communication with partners in the supply chain<sup>36</sup>.

<sup>36</sup> Authorised Economic Operators, Guidelines TAXUD/B2/047/2011-REV.5, European Commission, Brussels, 2014, p. 22.



While considering benefits of holding the AEO certificate, it is worth referring to the theory of transaction costs. Establishing and maintaining relations within supply chains entails incurring transaction costs. The theory of transaction costs is a predominant theory substantiating the creation of inter-organizational relations<sup>37</sup>. Authorized Economic Operators are perceived as credible, reliable, and trustworthy partners in supply chains. From the perspective of the theory of transaction costs, the issue of trust in relations within a supply chain is of importance. Trust is one of the key factors determining relations between partners. It is worth pointing out that in the age of globalization, relations in supply chains are founded on partnership. Economic operators collaborating on an equal footing care not only for their mutual benefit but for the interests of all partners within the supply chain. Companies need to cooperate since, if interests of any economic operator diverge from those of others, such activity will not increase efficiency of the entire chain. It is crucial to define roles, tasks and areas of responsibility of suppliers and clients as well as to equally share risks, costs and profits resulting from the undertaken new initiatives<sup>38</sup>. A supply chain that is based on partnership allows to achieve, among other things, such benefits as improved customer service; lower costs of long-term storage, transport, supplies maintenance; shortening payment times as well as enhancing the planning accuracy.

***The role of the Authorised Economic Operator in minimizing the risk of compromising the security of the trade flow in goods in the international trade***

Prior to obtaining the AEO status, each economic operator is obliged to undergo a rigorous certification process laid down in the Union legislation as well as to be prepared to take further steps to ensure constant readiness to prove to customs authorities that the operator is capable of fulfilling their obligations and actively contribute to increasing security and safety of international supply chains. Strict requirements for entities applying for the AEO status make their implementation in a company a rather difficult proposition. Therefore, if this process finally comes to fruition and an entity is granted the certificate, customs authorities recognise it as a reliable partner that cares for the security of the supply chain. Participation in the Programme is, consequently, perceived as confirmation that the economic activity of an operator is carried out in accordance with the regulations and by meeting the high standards in terms of the general security – not only physical but also with regard to finances and IT.

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<sup>37</sup> A. Surowiec, *Teoria kosztów transakcyjnych a system kontroli zarządczej w łańcuchach dostaw*, „Studia Ekonomiczne. Zeszyty Naukowe Uniwersytetu Ekonomicznego w Katowicach” 2015, No. 24.

<sup>38</sup> H.L. Lee, *Sekret najbardziej efektywnych łańcuchów dostaw*, „Harvard Business Review Poland”, February 2005, No. 25.

The institution of the AEO enables creating the so-called 'secure supply chains'. It is clear that the AEOS and AEOF status is of paramount importance, which may be achieved by satisfying the so-called 'security and safety criteria'. Customs authorities encourage economic operators to participate in the programme and stress that the more links in the international supply chain hold the authorisation, the greater the possibility to reap benefits. Taking into consideration the fact that within the European Union applies a selective customs control system, based on risk analysis, which recognizes the fact of holding the AEO authorisation; in the situation when only a small fragment of the chain (as not all links in the chain have the AEO status) the customs authorities cannot assess the risk as low enough to make the number of customs controls performed on goods in a given supply chain smaller and, in turn, to make the flow of goods and effectiveness of safe trade clearly and significantly better. This is why it is so important for all elements of a given supply chain to have the AEO status.

The aspect which increases security and, at the same time, offers more possibilities to benefit is, definitely, mutual recognition of the AEO status. By combining various programmes of trade partnership as part of mutual recognition, countries build a coherent and sustainable structure in terms of the flow of goods in the international supply chain.

### ***The institution of the Authorised Economic Operator – facts and figures***

In the course of nine years after the practical implementation of the institution of the Authorised Economic Operator, over 15 thousand AEO certificates have been issued [Table 2]. Their structure is as follows: 51,2% are the AEOF status, 44,8% are the AEOC authorisation and 4% – AEOS certificates. An operator's decision regarding the choice of scope of the authorisation frequently takes into consideration the role that is played in the international supply chain. While carrying out an analysis it should be taken into account that the statistics refer mainly to a period when regulations distinguished between three kinds of authorisations. After the re-evaluation of AEO entities, scheduled to be completed before 1<sup>st</sup> May 2019, the structure will definitely change. Authorised Economic Operators labelled as AEOF will simultaneously hold AEOC and AEOS certificates, therefore, in practical terms, the number of issued AEOS certificates is likely to increase.

German operators are the undisputed leaders – 6254 authorisations, i.e. 39.3% of all authorisations issued so far. The following positions are held by France – 1618 certificates (i.e. 10.2% of all authorizations issued in the EU) and the Netherlands, holding 1565 authorisations (i.e. 10%). Poland occupies the fifth position with its 816 certificates, i.e. 5.1% of issued certificates [Table 2].

Table 2. Classification of issued AEO authorisations broken down by country (as of 1.08.2018)

Position	Country	Issued authorisations			
		Total	AEOC	AEOS	AEOF
1	Germany	6254	3572	58	2624
2	France	1618	442	228	948
3	The Netherlands	1565	411	123	1031
4	Italy	1329	580	33	716
5	Poland	816	519	34	263
6	Spain	740	237	36	467
7	Great Britain	635	261	16	358
8	Belgium	472	53	32	387
9	Hungary	384	237	17	130
10	Austria	338	126	4	208
11	Sweden	288	129	4	155
12	Czech Republic	251	137	12	102
13	Ireland	143	18	1	124
14	Greece	138	81	2	55
15	Romania	131	21	6	104
16	Denmark	116	21	-	95
17	Slovenia	111	44	9	58
18	Portugal	109	72	8	29
19	Slovakia	102	57	5	40
20	Finland	90	10	8	72
21	Lithuania	65	25	1	39
22	Bulgaria	55	9	-	46
23	Luxemburg	36	9	3	24
24	Estonia	34	8	3	23
25	Croatia	31	24	-	7
26	Latvia	31	12	1	18
27	Cyprus	21	5	-	16
28	Malta	16	4	1	11
European Union		15918	7124	645	8149

Source: Author's own elaboration based on: [http://ec.europa.eu/taxation\\_customs/dds2/eos/aeo\\_consultation.jsp?Lang=en&holderName=&aeoCountry=CY&certificatesTypes=AEOs&Expand=true&offset=1&showRecordsCount=0](http://ec.europa.eu/taxation_customs/dds2/eos/aeo_consultation.jsp?Lang=en&holderName=&aeoCountry=CY&certificatesTypes=AEOs&Expand=true&offset=1&showRecordsCount=0) [access: 1.08.2018].

## Conclusion

Customs authorities safeguard and facilitate the flow of goods and thus, have assumed a key role in the international supply chain. It is a great challenge for the EU customs services to secure the supply chain and, at the same time, to implement customs facilitations. Reaching a compromise between the number of solutions aimed at reducing barriers and administrative workload and the necessity of having

effective customs control, which directly affects the security of trade, is a task of great difficulty but also, as evidenced by the business practice, a task possible to complete. The Authorised Economic Operator may serve as a proof of this claim. It is worth noting that the Programme is a response to the need for developing a modern system for customs that meets expectations of members of the international trade in goods. It can undoubtedly be regarded as one of the most significant initiatives with regard to global security – an economic operator who meets the security and safety criteria is a partner who provides safety and security in the supply chain. Investments made in order to improve standards of security in companies bring positive results in many areas such as: cooperation and control of the flow of goods in a particular chain, security of employees, proper organisational infrastructure and investments in technology.

The catalogue of benefits arising from holding the AEO certificate is well-developed and constantly expanded with new privileges. The article indicated the benefits deriving from the legislation as well as the so-called good practices and indirect benefits. In terms of security, it has also been pointed out that trust constitutes the foundation of relations in any partnership, which combined the presented issues with an interesting research problem, i.e. an account within the new institutional economics, including the transaction costs economics. Due to the limitations on the volume of the article, taking into account the extent of the AEO issues, thorough research of such aspects as identification and analysis of all potential and real benefits as well as costs of companies within the theory of transaction costs, has not been possible.

Taking into account the number of authorisations issued to date, it may be safely assumed that the Institution of the Authorised Economic Operator has been developing very dynamically in the European Union. Perhaps, in a few years' time, all traders will hold the status of the Authorised Economic Operator and a need will arise to replace the Programme with another form of preferential treatment. As for now, holding the AEO authorisation is a privilege of being part of a group of economic entities which have complete control over their activity and which are recognised as reliable, solvent and safe business partners.

### **Instytucja upoważnionego przedsiębiorcy AEO – ułatwienie działalności gospodarczej a minimalizowanie ryzyka naruszenia bezpieczeństwa przepływu towarów w obrocie międzynarodowym**

Skala wymiany międzynarodowej, a także istniejące uwarunkowania gospodarcze i technologiczne powodują, że przedsiębiorcy oczekują rozwiązań mających na celu jednocześnie ułatwienie jak i zwiększenie bezpieczeństwa przepływu towarów w obrocie międzynarodowym. Uzyskanie kompromisu pomiędzy redukcją barier a skuteczną ochroną jest dziś zadaniem bardzo ważnym, niezwykle trudnym ale jak pokazuje praktyka możliwym. Charakterystyka Instytucji Upoważnionego Przedsiębiorcy AEO a także ocena jej wpływu, zarówno na ułatwienie, jak i bezpieczeństwo

działalności w obrocie międzynarodowym jest celem artykułu. W tym zakresie wykorzystano metodę analizy opisowej i porównawczej. Przeprowadzona analiza pozwoliła wysunąć wniosek, że Program Upoważnionego Przedsiębiorcy AEO jest dowodem na to, że redukcja barier oraz wdrażanie innowacyjnych rozwiązań usprawniających działalność gospodarczą umożliwia jednocześnie wzrost bezpieczeństwa przepływu towarów w obrocie międzynarodowym.

**Słowa kluczowe:** Upoważniony Przedsiębiorca AEO, redukcja barier celnych, bezpieczeństwo obrotu towarowego

### **The institution of the authorised economic operator – facilitating economic activity and minimizing the risk of compromising the security of the trade flow in goods in the international trade**

The scale of the international trade, as well as the existing economic and technological conditions, cause economic operators to expect solutions aimed at facilitating as well as increasing security of the flow of goods in the international trade. Reaching a compromise between the number of solutions aimed at reducing barriers and administrative workload and the necessity of having effective customs control, which directly affects the security of trade, is a task of great difficulty but also, as evidenced by the business practice, a task possible to complete. The aim of the paper is to characterise the institution of the Authorized Economic Operator and assess its influence on the facilitation, as well as security and safety of economic activity in the international trade. With this regard, the methods of descriptive and comparative analysis have been employed. The performed analysis allowed for drawing a conclusion that the Authorised Economic Operator Programme is a proof that reduction of barriers and implementation of innovative solutions improving economic activity allow for increased security of the flow of goods in the international trade.

**Key words:** Authorized Economic Operator; reduction of customs barriers; security of the trade

