10 YEARS AEO

CUSTOMS & EXCISES, BORDER BREAKING!

WELKOM!
BIENVENUE!
WILLKOMMEN!
WELCOME!

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CUSTOMS AND EXCISES • FEDERAL PUBLIC SERVICE FINANCE
10 YEARS AEO
CUSTOMS & EXCISES, BORDER BREAKING!

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INTERNATIONAL TRADE’S CONTEXT AND OUR MISSION

Secure: legitimate trade, while maintaining a proper balance with customs and excises controls

Facilitate

Finance

Protect

CO CREATION
Our Strategy:

- **Profiling:** Belgium as a hotspot in logistics
- **Image-Building:** Image of GA C&E on national and international level
- **Support:** Tools to facilitate in national and EU legislation
- **Creation:** Stimulating the Belgian economy
TODAY’S THEMATIC SESSIONS

• Your Customs Competence Center in Belgium? Nothing but benefits!

• System Based Approach – previsibility and predictability of your supply chain

• Practical standards of competence or professional qualifications – compliance

• Blockchain, Artificial Intelligence & The Internet of Things – a glance at the future
TODAY’S PLENARY SESSIONS

• Closing speech
  Johan Van Overtveldt, Belgian Minister of Finance

• Conclusions of the day
  Werner Rens, General Counsellor Marketing, GA C&E

• “Brexit”
  Lars Karlsson, Managing Director KGH Global Consulting &
  President KGH Border Services

• “The developments of the EU AEO program and its challenges”
  Philip Kermode, Director of Customs, European Commission
KEYNOTE: “THE DEVELOPMENTS OF THE EU AEO PROGRAMME AND ITS CHALLENGES”

PHILIP KERMODE
10 years AEO event organised by the Belgium Customs Administration

Developments of the EU AEO programme

Challenges of the EU AEO programme

European Commission
DG TAXUD Directorate A (Customs)
Philip Kermode, Director
Key elements

➢ Development

➢ Challenges

✓ Benefits
✓ Statistics
✓ Synergies
✓ MRA
It all started back in 1968
Customs Union in a nutshell
Developments AEO

➢ 50 years Customs Union

➢ Complexity controls, Modernisation

➢ Role WCO, 10 years AEO (operational since 1 Jan 2008)

➢ Benefits

➢ Synergies
Challenges

➢ Implementation

➢ Awareness and communication

➢ Competenecs

➢ Risk analysis

➢ IT implementations
Statistics - EU customs Union Unique in world

Imports
€ 11.8 trillion 2015
- EU 14.5%
- United States 17.4%
- China 12.7%
- Canada 3.2%
- India 2.9%
- South Korea 3.3%
- Japan 4.7%
- Other (< 3%) 41.3%

Exports
€ 11.3 trillion 2015
- EU 15.5%
- United States 13.4%
- China 17.8%
- Canada 3.5%
- Russia 2.7%
- South Korea 4.9%
- Japan 4.1%
- Other (< 3%) 38.1%
CUSTOMS DECLARATIONS 2016

16 million movements

168 million SADs
IMPORT 356 million items

2,140 customs offices
114,365 personnel

129 million SADs
EXPORT 292 million items

Per 1 second ...
(Imports and exports)
9 SADs
21 items
109 thousand EUR of value
## AEO Conditions/Criteria and Benefits

<table>
<thead>
<tr>
<th>Conditions and criteria</th>
<th>AEOC</th>
<th>AEOS</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic operator</td>
<td>X</td>
<td>X</td>
<td>Fewer controls</td>
</tr>
<tr>
<td>Established in EU</td>
<td>X</td>
<td>X</td>
<td>Prior notification</td>
</tr>
<tr>
<td>Compliance</td>
<td>X</td>
<td>X</td>
<td>Priority treatment</td>
</tr>
<tr>
<td>Record keeping</td>
<td>X</td>
<td>X</td>
<td>Request for place for control</td>
</tr>
<tr>
<td>Financial solvency</td>
<td>X</td>
<td>X</td>
<td>Indirect benefits</td>
</tr>
<tr>
<td>Competence &amp; qualification</td>
<td>X</td>
<td></td>
<td>Customs simplifications</td>
</tr>
<tr>
<td>Security &amp; Safety</td>
<td></td>
<td>X</td>
<td>Mutual Recognition</td>
</tr>
</tbody>
</table>
- Statistics AEO programme – (1)

As of 31.07.2018

○ Applications accepted: 22 611

○ Authorisations issued: 19 879

○ Authorisations valid: 16 808
The EU AEO Programme
- Statistics –
(2)

Applications accepted in period 01.01.2008 – 31.12.2017
3. The EU AEO Programme - Statistics – (3)

Involvement of AEOs in the supply chain (31.12.2017)

- Import: 74% (AEO), 26% (Non-AEO)
- Export: 76% (AEO), 24% (Non-AEO)
- Transit: 66% (AEO), 34% (Non-AEO)
The EU AEO Programme
- Statistics – (4)

AEO in the supply chain

<table>
<thead>
<tr>
<th>Role</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>Exporter</td>
<td>22%</td>
</tr>
<tr>
<td>Importer</td>
<td>20%</td>
</tr>
<tr>
<td>Manufacturer of goods</td>
<td>17%</td>
</tr>
<tr>
<td>Customs broker</td>
<td>9%</td>
</tr>
<tr>
<td>Freight forwarder</td>
<td>9%</td>
</tr>
<tr>
<td>Warehouse keeper</td>
<td>8%</td>
</tr>
<tr>
<td>NS</td>
<td>8%</td>
</tr>
<tr>
<td>Carrier</td>
<td>5%</td>
</tr>
<tr>
<td>Others</td>
<td>2%</td>
</tr>
<tr>
<td>Consolidator</td>
<td>1%</td>
</tr>
<tr>
<td>Terminal operator</td>
<td>1%</td>
</tr>
<tr>
<td>Stevedore</td>
<td>0%</td>
</tr>
<tr>
<td>Container operator</td>
<td>0%</td>
</tr>
<tr>
<td>Shipping line service</td>
<td>0%</td>
</tr>
</tbody>
</table>
Cooperation with other government authorities

Areas addressed at EU level

• Aviation sector – AEO/RA/KC/AC

Ongoing discussions on:
• Maritime sector – AEO/ISPS
• Product safety
• Agricultural products
• Dual use goods – export control
International cooperation

The EU experience

• EU current mutual recognition agreements:
  • Switzerland – 1 July 2009
  • Norway – 1 July 2009
  • Japan – 24 May 2011
  • United States of America – 4 May 2012
  • People's Republic of China – 16 May 2014

• Under negotiations Canada and HKC
!!! THANK YOU FOR YOUR ATTENTION !!!

AND HERE’S TO THE NEXT 10 YEARS!

AND A STIMULATING DISCUSSION DURING THE DAY!
ENJOY YOUR DAY!