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The interest to the institution of the Authorized Economic Operator (AEO) has grown significantly in recent years. Essential attention is paid to the AEOs and issues of Mutual Recognition at conferences held under the auspices of the WCO „Global AEO Conference”. In addition, the WCO annually updates the Compendium of the AEOs and SAFE Framework of Standards [1, 0].

In connection with the above said, and also taking into account the fact that the Republic of Belarus is a member of the WCO, we consider it equally important to present the experience of the establishment of the AEO institution in the Republic of Belarus, and also to highlight the promising direction of work on mutual recognition of the AEO programs of the Republic of Belarus with Asian countries and the EU. After all, the Republic of Belarus, being a link between the EU, the EEU and the Asian region, can become the key player and mutual recognition with the AEO of the Republic of Belarus will allow creating the AEO supply chain throughout the continent and benefiting both every interested participant and secure world trade in general.

The new Customs Code of the EEU entered into force on January 1th, 2018. It should be noted that in the new version of the Code institution of the AEO underwent significant changes, both in terms of benefits provided for the AEO, and the conditions for issuing AEO certificates. In the new Code there are 3 types of certificates confirming the status of the AEO. The type of certificate depends on the conditions for assigning status and benefits provided by the AEO. The third type certificate makes it

possible to use all the benefits provided by the Customs Code of the EEU.

Based on the analysis of the chapters of the Customs Code of the EEU, it can be concluded that the key benefits for AEO-1 are the performing of customs operations and customs control on a priority basis and not providing security for fulfillment of the obligation to pay customs payments. Analysis of the benefits for AEO-2 allows us to conclude that these types of the AEO are interested in placing and storing goods on their own premises. The third type of certificate shall give the AEO the right to benefit from the special simplified procedures referred to AEO-1 and AEO-2.

Thus, for the AEO-1, benefits that affect the accelerated performance of customs operations. AEO-2 is most attractive for owners of warehouses and logistics complexes. If a business entity is interested in the whole spectrum of benefits, then the AEO-3 is provided for this.

Simplification in action or what practice says. First of all, the status of the AEO allows a business to save considerable funds. Benefits such as the not providing security for fulfillment of the obligation when placing goods under the customs procedure of customs transit, when releasing goods before completing the verification of documents (information) or during the customs examination; and the release of goods before submitting the declaration of goods is significant for all AEOs.

Often, the business, to replenish working capital, resorts to bank loans. Take, for example, the need to pay all customs payments at once:

On average, the AEO of the Republic of Belarus use customs clearing for 200 TEU per month, taking into account the weighted average rate of the ETT tariff of the EEU (6%) and VAT (20%), the entity must pay about \$ 3 million in customs payments per month. The minimum percentage for a dollar loan is 6%. Approximate amount of overpayment: \$ 15,000 per month, and as a result, \$ 180,000 per year!

Moreover, benefits for the AEO, such as performing of customs inspection or customs control on a priority basis,

performing of customs operations on a priority basis, save time for the AEO, and these days «time is also money». Also, the status of the AEO is a kind of image, competitiveness in the global market. Confidence in AEOs from third-party foreign companies is greater than to ordinary business entities. We should not forget that AEOs have the opportunity to participate in the MRA and pilot projects conducted by customs and other government agencies. MRA bonuses are still ahead for us, but the benefits of participating of the AEOs in pilot projects are obvious now.

All the benefits provided by the CC of the EEU are effective and interesting for business. As a result, at present there are 322 (280 + 42) AEOs are registered in the Republic of Belarus. It is worth noting that the peculiarity of the AEO of the Republic of Belarus lies in the fact that they account for about 75% of the export of goods, while this figure for imports is 37%.

As for the conditions for inclusion in the AEO registry, with the entry into force of the CC of the EEU, they were optimized. The step-by-step mechanism for reducing the amount of the security for the AEO-1 is very progressive and should involve the AEO, allowing them to invest more and more sums in their direct activities every year, rather than in securing customs duties. *For reference: the cost of a bank customs guarantee in the amount of € 1 million for a period of 1 year will cost the business entity about € 24.5 thousand, and to confirm the security of € 150 thousand, only € 3.5 thousand is needed, which is 7 times less rather than in the 1st year of receiving the AEO status.*

As it can be noted, a significant block of conditions for inclusion in the AEO registry is devoted to security issues. All this testifies to the fact that the CC of the EEU was developed taking into account the best world practice [2]. Undoubtedly, to some extent, the “tough” conditions for granting the AEO status indicate that only reliable and solvent enterprises can receive such a status. This is a kind of safe trade guarantee.

The issue of Mutual Recognition of the AEO becomes relevant for our country. The new code identifies for the first time, the MR of the AEO: with all the EEU member states; with

countries that are not members of the EEU, in the framework of international agreements of the EEU with a third country; with countries that are not members of the EEU, in the framework of international agreements of a member state of the EEU with a third country [1].

From this it follows that in addition to the mutual recognition of AEOs in the EEU, it is now possible to conclude agreements on mutual recognition with other countries. The greatest interest both for the Republic of Belarus and for its neighbors on the continent is the conclusion of such agreements with the countries of the Asian region and the EU. This will allow creating the so-called “AEO supply chain”, where the Republic of Belarus, by virtue of its geographical position, will become a link in safe trade between Asia and Europe.

The trade direction of the EU — the EEU — the Asian region is remarkable as it covers 46% of the world's land, and 68% of the world's population. According to experts, a further increase in trade turnover between the EU and the PRC is expected in the near future, with transit through the EEU. These forecasts relate primarily to railway container. In order to attract additional cargo traffic between the EU and the PRC, the countries of the EEU need to further develop the transport infrastructure and eliminate barriers [3].

One of the most significant steps to remove barriers will be mutual recognition of the AEO programs. Ideally, this is mutual recognition of the EEU AEO with the EU and the PRC. In practice, the countries participating in the EEU deal with issues of mutual recognition separately. As a result, mutual recognition with the AEO of the Republics of Belarus will be an excellent solution in this situation for the EU countries and the Asian region, since the Republics of Belarus is located at the “junction of the unions”.

For the development of the MRA of the AEO between the Republic of Belarus and the PRC and the EU taking into account the recommendations of the WCO and world experience, the following steps are to be undertaken:

1. Fix an authority whose competence will include determining the possibility of the AEO's participation in the MRA;
2. Develop information systems to provide data exchange on the AEO;
3. Identify the conditions on the basis of which the participation of the AEO in the MRA will be approved;
4. Identify the benefits, visit each other and make on-site observation of each other's validation process;
5. Prepare a draft of the MRA;
6. Launch the pilot project, measure outcomes;
7. The entry of the MRA should come into force.

Practical implementation of these recommendations will show their strengths and weaknesses and will allow them to be adjusted, taking into account the interests of the AEO and all states parties of the MRA.

List of references

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