THE WORLD OF AEO
TODAY – WHAT ABOUT TOMORROW?

50,000 AEO COMPANIES
77 AEO COUNTRIES
24 COUNTRIES ON THE WAY
42 MRAs
"Some men see things as they are, and ask why. I dream of things that never were, and ask why not."

Robert Kennedy
Facilitating trade for sustainable growth

AEO 2.0
THE NEW AEO PARADIGM

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WHO I AM

Lars Karlsson:
CEO Managing Director KGH Global Consulting
Director World Customs Organization 2005-2010
Director, Director General Swedish Customs
Swedish Customs Top Management 10 years
Doctor of Education (Honoris Causa) CSU
Masters International Customs Law & Administration
PhD studies on AEO
International Advisor DHS United States
International Advisor EU on Brexit
Advisor UK Home Office on Brexit
Visted 169 countries
Worked in 120 countries
A NEW AEO PARADIGM
WE ARE ALREADY THERE

World Customs Journal
Your complimentary eJournal

Back to the future of Customs: A new AEO paradigm will transform the global supply chain for the better
Lars Karlsson

Abstract
This paper presents recent changes in the area of compliance management and identifies how the Authorized Economic Operator (AEO) instrument is about to transform into a new paradigm and developed models. This will allow the AEO concept to become the future game changer it was originally intended to become, for both international trade and other stakeholders in the global supply chain.

Purpose
The purpose of this paper is to present governments and the private sector for the opportunities and mutual benefits that further developed AEO concepts can provide. These opportunities and benefits will arise through the design, development and implementation of more advanced compliance management concepts and applications that, in the near future, will cover the entire global supply chain and all border agencies.

Introduction
Today, we know that world trade is one of the main drivers for global development and an efficient response to global threats. Collaboration has changed the world in the past few years, and we only need to think of the rise of the new AEO program. The AEO program, which aims to provide a number of domestic customs solutions, has been a global challenge for the international community. It has been a model that illustrates the global impact of customs. As a result, the AEO program is the most successful global initiative that has been developed.

No one knows that globalization challenges cannot be met by local or national solutions alone. Global problems need global solutions. So we have a driver for harmonization and standardization that will benefit more evident the years to come.

In the late 1990s, the international community responded to the post-911 environment by creating the SAFE Framework of Standards. This international standard came into force in 2007 and has been adopted by 159 countries to date. It shapes the foundation for today's Customs practices. The success of the SAFE initiative allows Customs to business enterprises and AEO regimes.

In 2011, as a part of the coordinated border management concept, the SAFE Framework was amended to add a new third pillar describing cooperation between Customs and other government and international bodies. This third pillar is designed to promote closer cooperation with other government agencies (ECFA SAFE, 2011, p. 6). However, this development has not yet been fully realized as very few countries have expanded their AEO programs to include border agencies other than Customs.

In addition, the SAFE Authorized Supply Chain avances a concept under which all participants in the
WHAT IS NEW?
AEO HAS NEVER BEEN MORE IMPORTANT THAN NOW

HOLISTIC PROGRAMMES
COMPLIANCE INCLUDED
MORE BENEFITS
MULTI-TIER CONCEPTS
MULTIAGENCY DESIGN
MRA STRATEGIES
NEW STAKEHOLDERS
BILATERAL MRAs

MUTUAL RECOGNITION AGREEMENTS

BRAZIL ↔ URUGUAY

MUTUAL RECOGNITION Creates NEW OPPORTUNITIES

UAE ↔ KOREA

1 + 1 = 3
SUPPLY CHAIN COVERAGE
ALL STAKEHOLDERS OF THE SUPPLY CHAIN INVOLVED
SAFE ZONE Model: Three Levels

SAFE ZONE

Online Application
Self-assessment (SAQ)
Security Declaration (Code of Conduct)
Validation Site Inspection
Risk Mapping

Level 1: Prospect (12 Months)
Level 2: Platinum (Certificate)
Level 3: AEO

International Supply Chain

SAFE ZONE: BARCELONA 27th JUNE 2019
FREE ZONES 4.0 MEETS ECONOMY 4.0
AGENCY COORDINATION

SINGLE GOVERNMENT AEO STATUS
REGIONAL AEO
REGIONAL AEO PROGRAMMES
PARTNERSHIP AND COOPERATION CREATES NEW OPPORTUNITIES
MEASUREMENT OF AEO AND TRUSTED TRADERS
Full support for MRA and Regional AEO
BREXIT

CAN AEO SOLVE THE BREXIT CRISIS?
BREXIT
WHY I CALL MYSELF A BREXIT EXPERT
Smart Border 2.0
Avoiding a hard border on the island of Ireland for Customs control and the free movement of persons
SMART BORDER 2.0
THE BORDER OF THE NEXT GENERATION

SMART BORDER 2.0 COMPONENTS
(based on Sweden-Norway Border Platform 2.0 and other best practices)

New Trusted Travellers Program
Registration of Travellers

New Trusted Travellers Program
Registration of Commercial Travellers

Bilateral Customs Agreement

Post Information

Mobile Units for Control

Technology Surveillance of Border

Identification at the Border

Pre-date Submission (Simplified)

Government Processing of Data (Pre-clearance)

A) Using existing infrastructure (Gateway Solution)
B) Using new infrastructure (New Technology)

New Trusted Trader Program (AEO)
Registration of Commercial Trade

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Smart Border 2.0
Avoiding a hard border on the island of Ireland for Customs control and the free movement of persons
BORDER

Who? What? When?

Before

Customs declaration
Origin documentation
Compliance/security

Trusted

Trade lanes

After
A NEW MULTITIER AEO/TTP
A COMPLIANCE MANAGEMENT PARTNERSHIP MODEL

TRUSTED TRADER
- ALL STAKEHOLDERS
- SINGLE WINDOW
- ONE-STOP-SHOP
- SELF-ASSESSMENT

AN UK-EU MRA COULD BE NEGOTIATED IN 6-9 MONTHS

4) INTERNATIONAL LEVEL

3) UK-EU LEVEL

EXEMPLARY
ALTERNATIVE ARRANGEMENTS FOR THE IRISH BORDER
INTERIM REPORT
24th June 2019

2) NATIONAL LEVEL

1) SME LOW THRESHOLD LEVEL
WHAT HAPPENS NOW?
IT IS ALL ABOUT BEING COMPLIANT
THIS IS NEVER A GOOD STRATEGY
REBUILDING THE ROAD FORWARD

LEGACY SYSTEMS ARE UPDATED
BECOME A GLOBAL AEO TRUSTED TRADER GLOBALLY CONNECTED
AN OPPORTUNITY FOR THE FUTURE
BE FASTER THAN EVERYBODY ELSE
ONE OPERATING MODEL / THE BEST MODEL IN THE WORLD
IS BREXIT ALSO AN OPPORTUNITY?
BE FASTER AND MORE PREPARED THAN YOUR COMPETITORS
CUSTOMS ON THE BOARD ROOM AGENDA

AEO IS THE PLATFORM FOR COOPERATION
THANK YOU!
ANY QUESTIONS?

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