

# Authorised Economic Operator (AEO) Programme

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## About Authorised Economic Operator (AEO) Programme:

- It is a programme under the aegis of the **World Customs Organization (WCO) SAFE Framework** of Standards to secure and facilitate Global Trade.
- The programme aims to **enhance international supply chain security** and facilitate movement of legitimate goods.
- Under this programme, an entity engaged in international trade is approved by Customs as compliant with supply chain security standards and granted AEO status & certain benefits.
- An AEO is a **business entity** involved in the **international movement of goods** requiring compliance with provisions of the national customs law.
- It is **approved by or on behalf of the national administration** in compliance with the World Customs Organization (WCO).
- The WCO in June, 2005, with a view to secure the international supply chain, adopted the SAFE Framework of Standards (WCO SAFE FoS).

- AEO is one of the three pillars on which the SAFE FoS is formed.
- AEO helps to build a closer partnership between the customs department and the trade industry.
- WCO SAFE FoS is the basis of the **Indian AEO programme**.

#### **What is the India AEO programme?**

- It was introduced in India by the **Central Board of Indirect Taxes and Customs** (CBIC) in 2011.
  - It is a **voluntary programme** administered by the CBIC.
  - It seeks to provide benefits in the **form of simplified customs procedures** and faster customs clearances to those business entities that offer a high degree of security guarantees regarding their role in the supply chain.
  - Thus, an entity with an AEO status can be considered a reliable trading partner and a secure trader.
  - This segmentation approach enables customs resources to focus on less-non-compliant or risky businesses for control.
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#### **Q1: What is the World Customs Organization (WCO)?**

WCO, established in 1952, is an independent intergovernmental body whose mission is to enhance the effectiveness and efficiency of customs administrations. It is the only intergovernmental organization exclusively focused on customs matters.

**News:** Central Board of Indirect Taxes and Customs organises global India Authorised Economic Operator (AEO) programme in association with World Bank in New Delhi

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