Authorised Economic Operator (AEO) Programme in Georgia
Introduction of the AEO Programme

Association Agreement between the European Union and the European Atomic Energy Community and their Member States, of the one part, and Georgia, of the other part

Annex XIII of the Association Agreement

Trade Facilitation Agreement WTO
Article 7.7 - Trade Facilitation Measures for Authorized Operators
Revenue Service trade facilitation concept - “Golden List”

- Introduced in 2008
- Use of simplified procedures when importing and/or exporting of goods to and from Georgian customs territory
- Payment of Customs Duties, Import VAT and Import Excise can be deferred for 30 days
- Place goods at economic operators’ premises
- Service fee is not doubled during the non-working hours
Customs Legislation

- Tax code of Georgia (Article 224);
- Order № 290 of the Minister of Finance of Georgia from July 26, 2012 “On Approval Instruction for Movement and Clearance of Goods on the Customs Territory of Georgia” (CHAPTER XXI¹);
- Other subordinate normative acts;
Who can become an AEO?

Any entity (natural and legal), that is involved in activities covered by customs legislation

Such as:

- Importers
- Customs Warehouse Owners
- Exporters
- Carriers
- freight forwarders
- Etc.
The status of authorized economic operator include two types of authorizations:

1) the authorization for simplification of the goods clearance procedures (AEOC);

2) the authorization for simplification of customs control based on the compliance with the safety and security requirements (AEOS);

Note: Both types of authorizations may be held at the same time.
AEO Simplifications

Direct and indirect benefits, available to persons holding AEO authorization:

<table>
<thead>
<tr>
<th>Simplifications</th>
<th>AEOC</th>
<th>AEOS</th>
<th>AEOC+AEOS</th>
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<tbody>
<tr>
<td>Fewer physical and document-based controls</td>
<td>√</td>
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<td>Priority treatment of consignments on the border</td>
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<td>Examination of possessed goods at the point agreed in advance</td>
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<td>Easier admittance to customs simplifications</td>
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<td>Prior notification in case of selection for physical control</td>
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<td>Recognition as a secure and safe business partner</td>
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<td>Improved relations with Customs and other government authorities</td>
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<td>Mutual Recognition with third countries</td>
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<td>Positive effects in various areas of operator’s activity</td>
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</table>
a) economic operator has no serious infringement or repeated infringements of customs legislation and taxation rules

b) economic operator has a satisfactory system of managing records, allowing appropriate customs controls

c) economic operator is solvent and financially stable;

d) economic operator has performed clearance procedures and/or economic operator meets the professional qualification requirements – only for AEOC;

e) economic operator meets the safety and security standards – only for AEOS;
AEO monitoring and Re-assessment

Customs Post Clearance Audit Division

Monitoring of the AEOs

- operational information
- case of legislative changes
- structural reorganization of the operator

Full reassessment of the authorization shall be carried out every 3 years
Working on:

- Self-Assessment Questionnaire (SAQ) and its explanatory notes;
- Instruction of the procedures concerning AEO (draft);
AEO Implementation

Plans:

• Drafting guidelines

• Trainings for the Post-Clearance Audit Division staff

• Awareness-raising activities/campaigns

• Mutual Recognition Agreements
  – Feasibility
  – Consultation
  – Negotiation
THANK YOU FOR YOUR ATTENTION

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