

Mutual Recognition: Simpler EU-US Customs Procedures for Trusted Traders

The European Union and United States on 4 May 2012 signed an agreement to recognize one and other's authorized traders. The agreement aims to facilitate customs procedures, increasing trade and creating jobs between the two trading partners whose bilateral trade currently stands at around €500 billion. The agreement will benefit 6,000 companies currently registered as Authorized Economic Operators (AEOs) and the 10,000 companies currently certified under the US Customs-Trade Partnership against Terrorism (C-TPAT).

What Does This Mean for Your Business

If you are already registered as an AEO and have a certificate covering security and safety or you are already certified under C-TPAT then you will soon be able to begin taking advantage of the Mutual Recognition Agreement.

Implementation began on 16 July 2012 and is expected to be fully operational by January 2013 once the necessary exchanges of AEO and C-TPAT data have taken place.

If you are not already registered and do significant amounts of trade with the US or EU then you may wish to consider registering in order to take advantage of the benefits this will provide to transatlantic businesses.

In the EU, European companies have been able to apply for AEO status since 2008. The AEO status (AEOS or F type) is an indication that a company is considered by the competent authorities in the Member States as a trusted and reliable business. In order to maintain this status companies must deliver high standards of supply chain security and compliance and agree to regular auditing. In return the company benefits from reduced inspections and accelerated customs clearance meaning quicker delivery times and lower transport costs.

Likewise in order to become certified under the US C-TPAT programme, applicants must address a broad range of security topics and present security profiles that list action plans to align security throughout their supply chain. In return C-TPAT members are considered low-risk and are therefore less likely to be examined by customs.

How Dechert Can Help You

Applications for both AEO and C-TPAT are complex and require a significant investment of time. Dechert's international trade team assists clients in interpreting the relevant guidelines, the completion of applications and the formulation of tailored, robust and comprehensive compliance plans and procedures helping to ensure a successful application and continued certification under the schemes.

Our team also assists clients with wider aspects of custom compliance including:

- advice on proper customs documentation, procedures and trade logistics;
- advice on classification and valuation;
- advice on repayment claims;

- assistance in establishing Customs Compliance programmes and training for company employees;
- preparation for customs audits by undertaking “compliance assessments” in order to detect possible violations or shortcomings, which often invariably result in duty saving opportunities;
- the submission of voluntary disclosures to national customs authorities; and
- advice on duty suspended movements, including excise goods.



customs law, anti-dumping and anti-subsidy, trade agreements, sanctions, export control and WTO matters. We bring together international trade lawyers and practitioners with political advisors to offer a unique blend of legal and strategic trade advice.

With a strong presence in the EU and US Dechert’s Trade and Government Affairs practice is the ideal partner for any company seeking to maximise its trade opportunities while operating in full compliance with its regulatory obligations. We have wide ranging experience in advising European, US and other companies and financial institutions on trade issues. We have a proven track record of providing practical, commercially focussed solutions to the challenges associated with cross border trade transactions

Dechert’s Trade and EU Government Affairs Practice

Our Trade and Government Affairs practice advises on all aspects of trade law and policy, including

Practice group contacts

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