

## Authorised Economic Operator (AEO) Status

Dear Sir or Madam,

Increasing globalisation and changes in the international security situation have brought the World Customs Organization (WCO) to set up a "Framework of Standards to Secure and Facilitate Global Trade" (SAFE) in order to create the international conditions for modern, effective risk management by customs authorities.

In April 2005, the European Union modified the Customs Code (VO (EG) No. 648/2005) to transpose these security/political standards into European law and, in December 2006, embodied them in a code of practice (VO (EG) No. 1875/2006). An important element in this security initiative is the introduction of **AEO** status:

### **Authorised Economic Operator.**

From January 2008, companies based inside the European Union and involved in customs procedures can apply for this status to the main customs office in their country, and have themselves certified to AEO standards. This status entitles companies to certain benefits for the security-related customs controls, and/or simplifications for the customs regulations

The purpose is to ensure continuity of the international supply chain from the goods manufacturer to the end user.

The status of authorised economic operator is valid in all EU member states and is not limited in time. It can be granted in the following variants:

- AEO "customs simplifications" certificate (AEO-C)
- AEO "security and safety" certificate (AEO-S)
- AEO "customs simplifications/security and safety" certificate (AEO-F).

These certifications are based on the idea of inspecting global companies that are commercially active at international level to determine whether they can be considered safe market operators.

The long-term objective of the World Customs Organisation (WCO) is for the new status to be introduced all around the world. It therefore exists not only in the EU, but also in the United States where it is applied to importation (C-TPAT Customs Trade Partnership Against Terrorism).

The status is also to be introduced in other countries.

Krauss-Maffei Wegmann (KMW) applied for AEO-F certification in March 2009.

One of the basic requirements for obtaining an AEO certificate is being able to ensure supply chain security.

We therefore assume the following on the part of our business partners:

- Goods ordered on behalf of KMW, which are stored, forwarded, delivered to or accepted by KMW,
- are produced, stored, handled/processed and loaded at secure establishments and secure handling locations,
- are protected from unauthorised access during production, storage, handling/processing, loading and forwarding,
- personnel employed in the production, storage, handling/processing, loading, forwarding, and acceptance of such goods, are trustworthy
- business partners acting on our behalf are informed that they must also adopt measures to ensure security of the supply chain described above.

If your company is already in possession of an AEO certificate (AEO-S or AEO-F), please send us a copy of the certificate in electronic form, along with the corresponding approval number.

In this case, your company will automatically meet our security requirements.

If your company does not yet have a certificate, you should implement suitable measures to ensure a secure supply chain similar to those of approved economic operators. We would like to point out, here, that

the AEO requirements regarding supply chain security are an integral part of the general terms & conditions of Krauss-Maffei Wegmann GmbH & Co. KG.

If you have any questions, please contact your local customs authority.

If in doubt, please contact the following person at KMW:

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