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BREXIT IS COMING – GOOD TO BE AEO

The 31st of October is the Brexit Day according to the current schedule. Great Britain prepares itself intensively for the hard Brexit, which is leaving the European Union without a deal.

The European Union offers economic operators to obtain the AEO status with numbers of simplifications and facilitations, which will help to mitigate negative Brexit impact on international trade.

Obtaining the Authorized Economic Operator status of customs simplifications (AEO C) and Security and Safety (AEO S) is one of the most effective ways to improve business based on international trade or international transportation.

- **943** applications for AEO was submitted in the EU countries in the 2019 due i.e. to the coming Brexit.
- **17136** AEO holders are in the EU currently.

Who can become AEO?

Any economic operator established in the customs territory of the Union who is part of the international supply chain and is involved in customs-related operations, may apply for the AEO status, if certain conditions are met in the scope of:

- Compliance with customs legislation and taxation rules and absence of criminal offences related to the economic activity;
- Appropriate record keeping;
- Financial solvency;
- Proven practical standards of competence or professional qualifications – AEO C only;
- Appropriate security and safety measure – AEO S only.

How long it takes to obtain the AEO authorization?

- from one week to couple of months to prepare the entity for AEO requirements and to prepare the proper application;
- 120 days for Customs Authorities to issue the decision (the period might be extended).

Support of an experienced tax advisor improves the process significantly.

Why it's worth your effort?

Holding the AEO status cuts of time needed for customs clearance (please find below a list of simplifications improving transportation of goods internationally).

Besides, AEO results with numerous indirect benefits:

- Recognition as a secure and safe business partner;
- Improved relations with Customs and other government authorities;
- Reduced theft and losses;
- Fewer delayed shipments;
- Improved planning;
- Improved customer service;
- Lower inspection costs of suppliers and increased co-operation etc.

Benefit	AEOC	AEOs
Easier admittance to customs simplifications	X	
Fewer physical and document-based controls	X	X
Prior notification in case of selection for physical control (related to safety and security)		X
Prior notification in case of selection for customs control (related to other customs legislation)	X	
Priority treatment if selected for control	X	X
Possibility to request a specific place for customs controls	X	X
Mutual Recognition with third countries, i.e. with USA		X

If you are interested in obtaining further information, or would like to discuss the impact of the above on your business activity please contact:

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or your MDDP adviser.

MDDP is one of the largest Polish companies providing comprehensive consulting services in the area of taxes, law, corporate finance, business consulting, outsourcing, financial and accounting consulting, audits and professional trainings and conferences.

Since 2004, we have been continually increasing the team of advisers equipped with experience acquired both in reputable advisory companies and the largest enterprises on the Polish market. Our Clients include leading international corporations and the largest Polish companies from all sectors of economy.

We consider trust to be the basis of successful cooperation. We support our Clients in taking the most important business decisions. We combine international experience in business with the knowledge of regulations and the specificity of a given industry. We focus our activities mainly on the Polish market guaranteeing full involvement and individual approach to the cooperation.



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