

AUTHORISED ECONOMIC OPERATOR SCHEME





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Background

- AEO is a trade facilitation scheme for ease of doing business in light of international development.
- Holder of this certificate is entitled for privilege, benefits, exemption and relaxation on account of import and export.

What is the Objective ?

The objective of AEO Scheme is to provide businesses with an internationally recognized quality mark which will indicate their secure role in the international supply chain and that their Customs procedures are efficient and compliant.

Why to apply?

AEO seeks to provide tangible benefits in the form of delinked payment and clearance, paperless declaration, increased efficiency, self certification, earliest refund and drawback, request based examination/inspection etc.

Who can Apply?

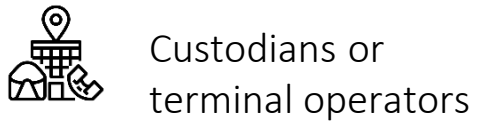
Operators involved in international supply chain may obtain AEO status subject to demonstrating strong internal control system and willingness to comply with the laws administered by the Central Board of Excise and Customs

AEO Tiers(I,II,III)



AEO LO

All categories of economic operators (other than importers and exporters) such as:



Additional Eligibility conditions for AEO Tier III

The economic operator should have continuously enjoyed the status of AEO Tier II for at least a period of two years preceding the date of application for grant of Tier III status





(Or)

The economic operator must be holder of AEO Tier II Certificate and its other business partners in the supply chain shall be the holders of AEO-Tier-II or

AEO - LO or any other equivalent AEO certificate granted by a foreign

Customs

ELIGIBILITY (CONTD)

Linkage with international supply	Establishment in India	Availability to Medium Scale Enterprises	Others
 <p>Anyone involved in the international supply chain that undertakes Customs related activity</p> <hr/> <p>Covers importers, exporters, logistic service providers, carriers, freight forwarders, CHA's, warehouse owners. Authorized couriers, stevedores and port operators may also qualify</p> <hr/> <p>Independent of the size of the entity</p>	 <p>Applicant to be located in India. No separate AEO status for branch or site or division</p> <hr/> <p>The AEO status will be granted on entity basis. Not available for entire group</p> <hr/> <p>Business activities in India at least for a period of three years. But can be waived in exceptional cases¹</p>	 <p>Scheme available to all Importers/Exporters whose threshold of import or export declarations is 25 documents (BoE or Shipping bills) during the last FY</p> <hr/> <p>However, the AEO Programme Manager to take due account of the specific characteristics of economic operators, in particular of MSMEs, while applying the eligibility conditions and criteria</p>	 <p>Compliance with Law</p> <hr/> <p>Satisfactory system of managing commercials and transport records</p> <hr/> <p>Proven financial solvency</p> <hr/> <p>Maintenance of approved safety and security standards</p>

1. On the basis of physical verification of internal controls of a newly established business entity, the AEO Programme Manager may consider the waiver of condition of 3 years for AEO certification

COMPARATIVE BENEFITS UNDER VARIOUS AEO TIERS

BENEFITS	Availability to TIER I	Availability to TIER II	Availability to TIER III
<p>Deferred payment of duty Deferred duty payment is a mechanism for delinking duty payment and Customs clearance. It is to be paid fortnightly. It is based on the principle 'Clear First-Pay later'.</p>	Not Available	Available	Available
<p>Faster disbursement of drawback amount Drawback amount will be disbursed within 72 hours of Export General Manifest (EGM) submission.</p>	Not Available	Available	Available
<p>Self declaration of SION Self-declaration of SION (Standard Input Output Norms) under Para 4.07A of FTP 2015-20 for AEO status holder Exporters in cases where SION is not notified</p>	Available	Available	Available
<p>Access to ICEGATE AEO Operator will be given access to their consolidated import/export data through ICEGATE(from a notified date)</p>	Not Available	Available	Available

COMPARATIVE BENEFITS UNDER VARIOUS AEO TIERS (CONTD.)

BENEFITS	Availability to TIER I	Availability to TIER II	Availability to TIER III
<p>Faster completion of SVB proceedings Faster completion of Special Valuation Branch ('SVB') proceedings in case of related party imports and monitoring of such cases</p>	Not Available	Available	Available
<p>Faster disbursement of refund The refund/Rebate of Customs/Central Excise duty and Service/GST Tax would be granted within 45 days of the submission of complete documents</p>	Not Available	Available Within 45 days	Available Within 30 days
<p>DPD/DPE Facility Direct Port Delivery (DPD) of import Containers thereby entailing the delivery of a shipment from the port to the consignee instead of initially holding it at a container freight station (CFS) and/or Direct Port Entry (DPE) of Export Containers which ensures direct entry into the port terminal prior to granting Let Export Order (LEO) (Implementation of Tarrant Customs from CBIC)</p>	Available	Available	Available

COMPARATIVE BENEFITS UNDER VARIOUS AEO TIERS (CONTD.)

BENEFITS	Availability to TIER I	Availability to TIER II	Availability to TIER III
<p>Trade facilitation AEO operator will get trade facilitation by a foreign Customs administration with whom India enters into a Mutual Recognition agreement/Arrangement(MRA)</p>	Not Available	Available	Available
<p>Facilitation in import /export High level of facilitation in imports and export of consignments, thereby ensuring shorter cargo release time</p>	Available	Available Higher level of facilitation compared to Tier I	Available Higher level of facilitation compared to Tier II
<p>CRM level resolving of issues Customs Houses will appoint Customer Relationship Manager(CRM) at the level of Deputy / Assistant Commissioner to resolve the procedural and operational issues</p>	Not Available	Available	Available
<p>Paperless Declarations and MRP stickers AEO operator will be provided the facility of submitting paperless declarations with no supporting documents in physical form and facility of affixing MRP stickers in their premises</p>	Not Available	Available	The assessing/examining custom officer will rely on the self-certified copies of documents submitted by them without insisting upon original documents

COMPARATIVE BENEFITS UNDER VARIOUS AEO TIERS (CONTD.)



BENEFITS	Availability to TIER I	Availability to TIER II	Availability to TIER III
<p>Bank Guarantee Bank Guarantee to be furnished by the AEO operator that their liabilities will be met which is guaranteed by the bank.</p>	<p>Quantum of the Bank Guarantee to be 50% of that required to be furnished by an importer/ exporter who is not an AEO Certificate Holder, wherever required</p>	<p>Quantum of the Bank Guarantee to be 25% of that required to be furnished by an importer/ exporter who is not an AEO Certificate Holder, wherever required</p>	<p>They are not required to furnish any Bank Guarantee. Not applicable when Competent Authority orders for Bank guarantee for Provisional release of seized goods</p>
<p>No regular Post Clearance Audit (PCA) PCA allows Customs to reduce border controls by shifting compliance checks from the clearance stage to the post clearance stage</p>	<p>Onsite PCA will be conducted once in two years only</p>	<p>Onsite PCA will be conducted once in three years only</p>	<p>On request Inspection/examination will be provided. Onsite PCA once in 5 years .</p>
<p>24/7 clearances on request at all sea ports and airports As well as there is no need to pay Merchant Overtime Fee (MOT) charges, which are charged when the services of Custom Officers' services are used beyond office hours</p>	<p>24/7 clearances and no Merchant Overtime Fee (MOT) charges</p>		
<p>Receipt of an e-mail Receipt of an e-mail regarding arrival/ departure of the vessel carrying consignments</p>	<p>Available</p>	<p>Available</p>	<p>Available</p>

COMPARATIVE BENEFITS UNDER VARIOUS AEO TIERS (CONTD.)



BENEFITS	Availability to TIER I	Availability to TIER II	Availability to TIER III
<p>Self sealing of export goods Facility of self -sealing of export goods would be allowed without the requirement to seek case to case base permission from the authorities</p>	Not Available	Available Frontline treatment for containers' scanning	Available. Further, their containers will not be selected for scanning except on the basis of specific intelligence. When any container is selected for scanning, top most priority will be given for scanning.
<p>Separate spaces in Custodian's premises Separate space to be earmarked in the Custodian's premises, wherever feasible</p>	Available	Available	Available
<p>Faster Dispute Regulations Dispute resolution at the level of Adjudicating Authorities in respect of Customs, Central Excise and Service Tax cases would be done preferably and as far as possible within six months.</p>	Available	Available	Available
<p>Faster Investigations Investigations, if any, in respect of Customs, Central Excise and Service Tax cases would be completed, as far as possible, in six to nine months</p>	Available	Available	Available
<p>Grant of ID cards Grant of ID cards to authorized personnel for hassle free entry to Custom Houses, CFSs and ICDs</p>	Available	Available	Available

COMPARATIVE BENEFITS UNDER AEO LO

BENEFITS	Availability to Customs Brokers	Availability to Logistic Service Providers	Availability to Warehouse Operators	Availability to Custodian Operators
Waiver of bank Guarantee	Waiver of Bank Guarantee to be furnished under regulation 8 of the CBLR,2013	Waiver of bank Guarantee in case of trans-shipment of goods under Goods imported (Condition of Trans-shipment) Regulations, 1995	Not Available	Waiver of bank Guarantee under Handling of cargo in Customs Area Regulations 2009
Execution of running Bond	Not Available	Available	Not Available	Not Available
Faster/Extension of approval/ validity	Extended validity (till validity of AEO status) of licenses granted under regulation 9 of the CBLR 2013	Not Available	Faster approval for new warehouses within 7 days of submission of complete documents	Extension of approval under regulation 10(2) of Handling of Cargo in customs area regulation 2009 for 10 years
Waiver of fees/ Certificates	Waiver from fee for renewal of license under sub regulation (II) of regulation II of CBLR,2013		<ul style="list-style-type: none"> (a)Waiver of solvency certificate requirement (b) Waiver of security for obtaining extension in warehousing period (c) Waiver of security required for warehousing of sensitive goods (d) antecedent verification for grant of license for warehouse 	

HOW SBC CAN ASSIST FOR AEO



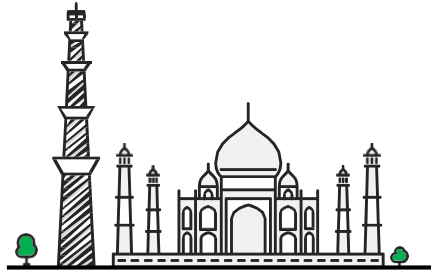
AREA OF ASSISTANCE	COVERAGE
Assistance in preparation and filing of AEO application	Discussion with the management on category of status to be obtained
	Discussion of checklist with the management of the company
	Preparation/Review of SOPs for AEO
	Preparation of application along with Annexures
	Filing application online and manually
Coordination and site visit assistance, if applicable for processing the application	Co-ordination with officials for obtaining appointment for their visit to company's sites for physical verification
	Assist the Company during site visits by officials
	Providing additional information, details required by the officials (if any)
Assistance in obtaining AEO certificate	Regularly coordinating with the officials and submitting additional information required (if any)
	Obtaining the AEO certificate from officials

Contact us



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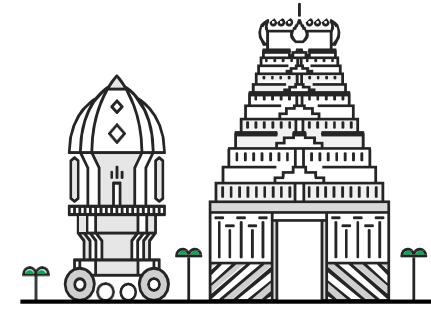
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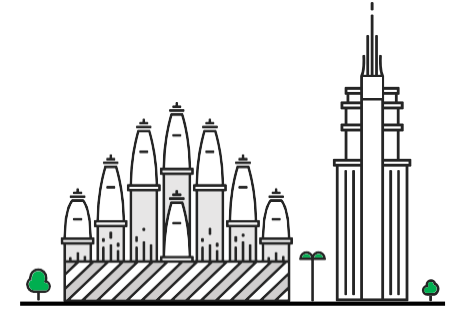
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A silhouette of a business meeting in a modern office with a city skyline in the background. Two people are shaking hands in the center. The scene is overlaid with a network of white lines and dots, and a bokeh effect of light spots.

THANK YOU