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## **Mutual Recognition of Authorised Economic Operators between the EU and Japan**

Ensuring the security of the global supply chain while facilitating trade is a challenge both for customs authorities and economic operators. To meet this challenge, many countries have introduced additional security measures to reinforce risk management in accordance with the WCO SAFE Framework of Standards.

In risk management, the reliability of traders is of crucial importance. Established authorised economic operators (AEOs) that adhere to security and compliance criteria allow customs to focus on risky trade flows. In exchange, AEOs receive benefits in form of trade facilitation.

Mutual recognition of AEOs provides reliable operators additional trade facilitation benefits in partner countries; it also allows customs to target high risk shipments more effectively.

### **Mutual Recognition of AEOs with Japan**

The implementation of mutual recognition of AEOs between the EU and Japan will begin on 24th May 2011. From this date, AEOs in the EU and Japan will start to benefit from this mutual recognition.

### **Mutual recognition benefits for EU AEOs in Japan**

The implementation of mutual recognition with Japan means that the AEO status of EU importers and exporters will be taken into account during the security risk assessment procedures by Japanese Customs in Japan, if the procedure outlined below is followed.

In order to benefit from the mutual recognition in Japan, EU AEO importers and exporters are required to inform their Japanese business partners of their 12 character code for mutual recognition purposes with Japan. These codes have been issued by Japan Customs for all EU AEOs who gave their consent to be included in mutual recognition of AEOs. The European Commission will inform the EU AEOs of these Japanese identification codes by letter. Please note that the code for the purpose of Mutual Recognition with Japan is different from the EORI number of EU companies.

Trade that is coming from EU AEO exporters or going to EU AEO importers will benefit at the stage of the Japanese import / export declaration. The Japanese importers/exporters (or their representatives) will enter the notified 12 character code issued for EU AEOs by Japan Customs for mutual recognition purposes in the relevant electronic declaration field for foreign importers/exporters.

### **Mutual recognition benefits for Japanese AEOs in the EU**

For Japanese companies to receive benefits in the EU, in relation to the security risk assessment at entry or exit, EU traders may be approached by their Japanese AEO business partners and informed of the 14 character mutual recognition code assigned to Japanese AEOs. Alternatively, EU traders may proactively ask their Japanese AEO business partners for their 14 character mutual recognition code.

This code should be entered in the declaration form in the field entitled "Documents produced, certificates and authorisations". In addition, the TARIC code "Y031" needs to be completed in order to indicate that the cargo is coming from or going to AEOs of a country with which the EU has concluded a mutual recognition agreement regarding AEO programmes.

At entry in the EU, the TARIC code "Y031" and the 14 character mutual recognition code of Japanese AEOs needs to be used in the Entry Summary Declaration, or alternatively in the customs declaration if this declaration replaces the Entry Summary Declaration. At export, the TARIC code "Y031" and the 14 character mutual recognition code of Japanese AEOs needs to be used in the customs declaration, or alternatively if no customs declaration is required, in the Exit Summary Declaration.