



# Authorised Economic Operators Programme

[Source: ET](#)

## Why in News?

Recently, the **gem and jewellery sector has been granted Authorised Economic Operator (AEO)** status by the [Ministry of Finance](#), easing export-import processes with shorter cargo release times and reduced bank guarantees.

## What is the Authorised Economic Operators Programme?

- The [Authorised Economic Operator \(AEO\) programme](#) is a global initiative launched in 2007 under the [World Customs Organization's \(WCO\) SAFE Framework of Standards](#). It serves a dual purpose
  - **Enhancing International Supply Chain Security:** The AEO programme aims to **strengthen security measures** throughout the international movement of goods, minimising risks associated with smuggling and counterfeiting.
  - **Facilitating Trade Flow:** By recognising businesses that meet stringent security standards, the programme **aims to expedite customs clearance processes**, reducing delays and costs for legitimate traders.
- Under this, an entity engaged in international trade is approved by WCO as compliant with supply chain security standards and granted AEO status.
- An entity with an **AEO status** is considered a **'secure' trader** and a reliable trading partner.
- Benefits of AEO status include **expedited clearance times, fewer examinations, and** improved security and communication between supply chain partners.
- AEO is a **voluntary programme**.
- India has also launched **pilot project** in 2011, the [Indian AEO Programme](#) that leverages the security standards established by the **WCO SAFE Framework**.
  - This program offers a **three-tiered system** for **both exporters and importers**, allowing companies to progressively demonstrate their commitment to secure trade practices.

## World Customs Organisation

- The [World Customs Organization \(WCO\)](#), **established in 1952** as the **Customs Co-operation Council (CCC)** is an independent intergovernmental body whose mission is to **enhance the effectiveness and efficiency of customs administrations**.
- At present, it represents **183 customs administrations** across the globe that collectively process approximately 98% of world trade.
- **India** became the **vice-chair (regional head)** of the **Asia Pacific region** of the WCO for a period of **two years 2018- 2020**.
- It is the only international organization with competence in **customs matters** and which can rightly call itself the voice of the international Customs community.
- It has its **headquarters in Brussels, Belgium**.

## SAFE Framework

- In June **2005** the **WCO Council** adopted the **Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework)** that would act as a **deterrent to [international terrorism](#)**, to secure revenue collections and to promote trade facilitation worldwide.
- The SAFE Framework has emerged as the global customs community's concerted response to threats to [supply chain security](#), equally supporting facilitation of legitimate and secure businesses.
- It **prescribes baseline standards** for trade facilitation that have been tested and are working well around the globe.

## UPSC Civil Services Examination, Previous Year Questions (PYQs)

### Prelims:

**Q1. In the context of which of the following do you sometimes find the terms 'amber box, blue box and green box' in the news? (2016)**

- (a) WTO affairs
- (b) SAARC affairs
- (c) UNFCCC affairs
- (d) India-EU negotiations on FTA

**Ans: (a)**

**Q2. Consider the following statements: (2017)**

1. India has ratified the Trade Facilitation Agreement (TFA) of WTO.
2. TFA is a part of WTO's Bali Ministerial Package of 2013.
3. TFA came into force in January 2016.

**Which of the statements given above is/are correct?**

- (a) 1 and 2 only
- (b) 1 and 3 only
- (c) 2 and 3 only
- (d) 1, 2 and 3

**Ans: (a)**