

Authorized Economic Operator Authorization

1. What is the Authorized Economic Operator?

A natural or legal person established in Colombia, which being part of the international supply chain performs activities regulated by the customs legislation (DIAN) or is monitored and controlled by the Superintendence of Ports and Transportation (Superintendencia de Puertos y Transporte), the General Maritime Directorate (DIMAR) or the National Aviation Authority (Aeronautica Civil), and which in complying with the conditions and minimum requirements set forth in Decree 3568 dated 2011, guarantees safe and reliable foreign trade operations, and is therefore authorized as Authorized Economic Operator (AEO) by the Customs Administration (DIAN).

2. Is it possible to homologate authorizations?

No. In no case, will the Authorized Economic Operator authorization be homologated

3. Are Management Systems certifications or the like required to be Authorized Economic Operator or are additional scores given upon their submittal?

No. According to the Regulatory Framework, the AEO programs are universally applicable and therefore aimed at all foreign trade operators without needing prior certification; moreover, submittal of certifications does not result in an additional score.

4. What is the Mutual Recognition Agreement- MRA?

As recognized by the World Customs Organization-WCO, the MRAs contribute to facilitating and guaranteeing worldwide trade, for this reason the Regulatory Framework points out the opportunity given to the Customs organizations to work jointly and sign MRAs. Basically, these agreements consist in the enforcement of the Regulatory Framework expressed in the recognition of compatibility in different aspects of the AEO programs operated by two Customs. This results in the granting of mutual benefits for all the AEOs under the two programs. To date the MRAs have been executed only bilaterally and among governments.

5. What are the benefits of signing a Mutual Recognition Agreement?

As established by the World Customs Organization-WCO, the MRAs contribute to facilitating and guaranteeing worldwide trade. Once the various MRAs are signed, the benefits and facilitation of access to markets will be more visible. The authorization or recognition of AEOs and the MRAs are instruments that strengthen access to global markets, expressed in the reduction of the risk level associated to the user and to its commercial operation in both origin and destination markets, which can reduce the number of inspections and therefore shipment times. However, Customs retain the authority to, in the event of significant risk, cancel the AEO authorization or recognition and also to precautionary suspend the benefits granted under the framework of a MRA.

6. Who can be authorized as Authorized Economic Operator in Colombia?

In Colombia, the following users can apply for AEO authorizations: Customs agents, cargo agents, shipping agents, airports, international trade companies, warehouses, exporters, importers, courier services, ports and docks, air carriers, maritime carriers, and domestic road transportation companies.

7. Article 23 of Resolution 15 dated 2016 sets forth a gradual process for the submission of the request, currently only exporters and importers can join. When can all other international supply chain users submit the AEO authorization request (ports, customs agencies, etc.)?

Initially, only exporters and importers can join; the expectation is that in 2017, the program will be extended and new stakeholders can join.

8. If a user other than an exporter is interested in the Authorized Economic Operator authorization, does he have to wait for access to all other stakeholders, what steps can he start undertaking?

He must necessarily wait for access to all other stakeholders to submit the request formally; however, he can review the best international practices.

9. Can a manufacturer be Authorized Economic Operator in Colombia?

No. No authorizations to manufacturers are granted in the country. The authorization can be obtained by the different links of the supply chain that have a status of customs users in the RUT (Single Tax Registration) or that are monitored by the Superintendence of Ports and Transportation, or by the Civil Aviation Authority. However, if the manufacturer performs directly import or export activities and complies with the requirements, he can request the authorization as importer or exporter.

10. Which institutions are involved in the authorization of an Economic Operator?

In addition to the Customs Administration DIAN, in the first phase: The National Police through the Anti- Narcotics Directorate, The National Food and Drug Surveillance Institute INVIMA and the Colombian Agriculture and Livestock Institute –ICA-, the latter two as applicable. Subsequently, and to the extent that other types of users join, all other authorities with jurisdiction will be incorporated

11. What direct participation will the private sector have?

Through the Private Sector Advisory Group, in which four sector representatives involved in different links of the international supply chain will participate.

12. What is the cost of the authorization?

None, the AEO authorization request process is free of charge. The person interested in obtaining the authorization granted by the DIAN (prior technical opinion issued by the Control Authorities), do not have to pay for the corresponding proceedings before any control institution)

13. Where to register?

The request to obtain AEO authorization must be filled out through the DIAN's online electronic information services, and needs to be electronically signed by the company's legal representative.

14. Which department of the DIAN will process the Authorized Economic Operator requests?

The Authorized Economic Operator Coordination of the Customs Management Directorate will be in charge of processing the requests.

15. Am I required to submit requests before all Control Authorities?

No. The request to obtain AEO authorization will be only submitted through the DIAN's online electronic information services complying with the regulation requirements. In no case will the interested party resort to the Colombian Agriculture and Livestock Institute ICA, the National Institute of Food and Drug Monitoring INVIMA or the National Tax and INVIMA or the Anti-Narcotics Police to submit the request.

16. Where do I find the conditions that must be met to obtain the authorization?

The conditions are established in Article 6 of Decree 3568 dated 2011.

17. Is it mandatory to request the authorization as Authorized Economic Operator?

No. The AEO authorization is not a requirement to carry out foreign trade operations; as is for example obtaining authorization as Customs Agent to be able to operate. Therefore, submission of the request is totally free and voluntary.

18. Will the Authorized Economic Operator be a new customs user?

No. The Authorized Economic Operator will be a status granted to customs users, among others. The DIAN defines the customs user as the natural or legal person who intervenes directly or indirectly in import and/or export operations of goods and/or services and/or customs transit. A user may have one or more statuses of those indicated in the RUT (Tax Registration), except when a legal provision states otherwise.

19. Can I use the guarantee that I have under another registration for the Authorized Economic Operator?

To obtain Authorized Economic Operator authorization is not necessary to constitute a guarantee.

20. Which will be the penalty regime?

The OEA will not have a penalty regime expressly established in the customs legislation; however, the authorization can be temporarily canceled or suspended.

21. What happens if my authorization is temporarily interrupted?

When the authorization is temporarily interrupted all granted benefits are suspended.

22. What happens if my authorization is canceled?

Once the authorization is canceled, the user will no longer enjoy the benefits and cannot call himself an Authorized Economic Operator.

23. If my company has various types of establishments (branches, offices etc.) in different cities of the country, will they be covered by the authorization?

Yes. The authorization will be granted to the company and all its establishments, regardless the cities where they are located. To that end, the specialists in charge of conducting the validation and revalidation visits will schedule them in different establishments in addition to the main office, provided said establishments perform foreign trade related activities that are critical for the international supply chain.

24. What information must be provided regarding the sites and offices?

The requester company must indicate in detail in form 020 of the AEO Electronic Information Services, the location of the different offices of the company and a brief description of the activities performed in each one of them. Similarly, he must indicate if the branch participates in the supply chain, in what way, if on its own name or on behalf of another person.

25. What information on changes do I have to report once the Authorized Economic Operator authorization is granted?

Once the company is authorized as Authorized Economic Operator, to comply with the obligations enshrined in section 2 of article 15 of Decree 3568 dated 2011, to inform any change or modification regarding compliance with the minimum conditions or requirements as Authorized Economic Operator, the company must inform the DIAN by sending an email to oeacolombia@dian.gov.co, among other aspects: Changes in the owners of the company, changes in the shareholders with decision capacity, changes of legal representation and changes of branches.