
❖ SPC & B Update ❖

A Newsletter for Clients of Sharretts, Paley, Carter & Blauvelt, P.C.

May 7, 2012

U.S. and EU Announce Mutual Recognition of C-TPAT and AEO Programs



In early May 2012, the United States and the European Union signed a Mutual Recognition (MR) Decision that recognizes compatibility between the U.S. Customs-Trade Partnership Against Terrorism (C-TPAT) and the E.U. Authorized Economic Operator (AEO) cargo security programs. The implementation date for the MR has not yet been finalized.

This MR facilitates trade between the U.S. and E.U. by allowing cargo to travel securely in the member states and nations. Customs authorities in the U.S. and the E.U. will now be able to treat each other's trade partnership programs as they treat their own, including favorably considering trade operators' risk assessment for inspections and/or controls. Customs authorities will also be able to suspend membership of trade operators and will be required to inform each other of irregular practices taken by any member authorized by the other customs authority. Additionally, the MR allows for sharing of information between customs authorities with regard to supply chain security, and the overall operation and development of U.S. and E.U. trade partnership programs.

While U.S. and EU officials are hailing the agreement as a significant achievement, it remains to be seen whether tangible benefits will accrue to companies involved in trade between the two areas.

Anyone wishing additional information regarding the above should contact Gail Cumins at gcumins@spcblaw.com, or Donna Shira at dshira@spcblaw.com, or call us at 212-425-0055.

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