



Switzerland No.3 (2021)

Agreement

between the United Kingdom of Great Britain and Northern Ireland and the Swiss Confederation on the Mutual Recognition of their Authorised Economic Operator Programmes

Bern, 1 June 2021

[The Agreement is not in force]

*Presented to Parliament
by the Secretary of State for Foreign, Commonwealth and Development Affairs
by Command of Her Majesty
June 2021*



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ISBN 978-1-5286-2662-0
CCS0621730128 06/21

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the APS Group on behalf of the Controller of Her Majesty's Stationery Office

**AGREEMENT BETWEEN THE UNITED KINGDOM OF GREAT
BRITAIN AND NORTHERN IRELAND AND THE SWISS
CONFEDERATION ON THE MUTUAL RECOGNITION OF THEIR
AUTHORISED ECONOMIC OPERATOR PROGRAMMES**

The United Kingdom of Great Britain and Northern Ireland (“the United Kingdom”) on the one part, and the Swiss Confederation (“Switzerland”) on the other part, together referred to as “the Parties”;

Considering the Trade Agreement of 11 February 2019 between the United Kingdom and the Swiss Confederation;

Considering that the Parties have ratified the International Convention on the Harmonization of Frontier Controls of Goods;

Affirming the commitment of the Parties to facilitate trade and to simplify requirements and formalities in respect of the rapid release and clearance of goods;

Considering that the Parties are determined to improve security of the trade in goods entering or exiting their territories without hampering trade flows;

Affirming that security and safety, and the facilitation of the international trade supply chain, can be significantly enhanced through mutual recognition of their respective Programmes for Authorised Economic Operators ("AEO");

Considering that a joint evaluation has confirmed that the AEO Programmes of the Parties are security and compliance initiatives that strengthen the security of the international supply chain;

Recognising that the AEO Programmes are based on internationally recognised security standards set forth in the SAFE Framework of Standards to Secure and Facilitate Global Trade adopted by the World Customs Organization;

Recognising that the AEO Programmes in the Parties are security and compliance initiatives and that a joint evaluation has revealed that their qualification standards for security and safety purposes are compatible and lead to equivalent results;

Considering that mutual recognition allows the Parties to provide facilitative benefits to economic operators who have invested in compliance and supply chain security and have been certified under their respective AEO Programmes;

Acknowledging the specialised nature of the Parties’ border management processes, procedures, mechanisms and legislation governing the management of the Programmes;

Have agreed as follows:

ARTICLE 1

Objectives

The objectives of this Agreement are to facilitate trade in goods between the Parties by establishing a mechanism for the mutual recognition of their respective Authorised Economic Operator (“AEO”) Programmes, hereinafter together referred to as the “Programmes” and individually as “Programme”, and to improve communication and cooperation in customs security measures.

ARTICLE 2

Territorial application

2.1 The provisions of this Agreement shall apply, on the one hand, to the United Kingdom and the Isle of Man and, on the other hand, to the Swiss customs territory and its customs enclaves and exclaves.

2.2 This Agreement shall also apply to the Principality of Liechtenstein for as long as that Principality is bound to Switzerland by the Customs Treaty between Switzerland and the Principality.

ARTICLE 3

Scope of the Agreement

3.1 This Agreement concerns the following Programmes and entities:

- (a) the Swiss Programme as provided for in the Customs Act and Customs Ordinance;
- (b) the United Kingdom’s Programme (safety and security) (subparagraph (b) of Article 38(2) Union Customs Code), as retained in United Kingdom domestic law; and
- (c) economic operators holding an AEO status in Switzerland, as referred to in point (a), and economic operators holding an AEO status in the United Kingdom, as referred to in point (b) (hereinafter referred to as “Programme Members”).

3.2 The provisions of this Agreement shall not affect the rights and obligations of the Parties under any other international agreement to which either Party is a party.

ARTICLE 4

Mutual Recognition

4.1 The Parties' Programmes shall hereby be mutually recognised to be compatible and equivalent. The corresponding Programme Member statuses granted shall be mutually recognised.

4.2 The Swiss Customs Administration¹, Her Majesty's Revenue & Customs and Customs and Excise Division of the Isle of Man Treasury (hereinafter together referred to as "the Customs Authorities" and individually as the "Customs Authority") shall be responsible for the implementation of the provisions in this Agreement in accordance with their respective laws and regulations.

4.3 The Parties shall be responsible for their own costs incurred pursuant to this Agreement.

ARTICLE 5

Compatibility

For the purpose of maintaining consistency between the Programmes, the Customs Authorities shall ensure that:

- (a) the standards applied to each Programme remain compatible and equivalent with respect to the following matters:
 - i. the application process;
 - ii. the application assessment;
 - iii. the approval and monitoring of membership status; and
- (b) both Programmes continue to respect the international standards of the SAFE Framework of Standards to Secure and Facilitate Global Trade adopted by the World Customs Organisation in its current version.

ARTICLE 6

Benefits

6.1 Each Customs Authority shall provide comparable benefits to Programme Members under the other Customs Authorities' Programme.

¹ From 1 January 2022 onwards, the Swiss Customs Administration shall be called Federal Office for Customs and Border Security.

The benefits shall be:

- (a) taking the status of a Programme Member authorised by the other Customs Authorities into account favourably in its risk assessment to reduce inspections, examinations or controls and in other security and safety-related measures on imported goods;
- (b) taking the status of a Programme Member authorised by the other Customs Authorities into account, with a view to treating the Programme Member as a secure and safe partner when assessing the business partners requirements for applicants under its own Programme;
- (c) taking the status of a Programme Member authorised by the other Customs Authorities into account in ensuring priority treatment, expedited processing and expedited release of the import shipments where the Programme Member is involved;
- (d) a designated customs official in charge of communication in order to resolve problems encountered by Programme Members during customs clearance; and
- (e) endeavouring to establish a joint business continuity mechanism to respond to disruptions in trade flows due to increases in security alert levels, border closures and/or natural disasters, hazardous emergencies or other major incidents or force majeure, where priority cargos related to Programme Members could be facilitated and expedited to the extent possible by the Customs Authorities.

6.2 The Parties may agree to provide further benefits, with a view to facilitating trade.

ARTICLE 7

Information Exchange and Communication

7.1 The Customs Authorities shall enhance their communication in order to implement this Agreement effectively. They shall exchange AEO related information and foster communication on their Programmes in particular by:

- (a) providing timely updates on operation and development of their respective Programmes;
- (b) providing each other with the details on their Programme Members, subject to paragraph 5;
- (c) engaging in mutually beneficial information exchange regarding supply chain security policy and trends; and

- (d) ensuring effective communication to enhance risk management practices with respect to supply chain security on the part of the Programme Members.

7.2 Each Customs Authority shall report irregularities involving Programme Members of the other Authority's Programme to the other Customs Authorities, in order to ensure immediate analysis of the appropriateness of the benefits and status granted by the other Customs Authorities.

7.3 Exchanges of information shall be conducted in accordance with the Parties' domestic laws, regulations and policies.

7.4 Information and related data on Programme Members shall be exchanged in a systematic manner by electronic means.

7.5 Details to be exchanged on Programme Members include:

- (a) the name of the Programme Member;
- (b) the address of the Programme Member;
- (c) the status of the Programme Member;
- (d) the validation or authorisation date;
- (e) suspensions and revocations;
- (f) the Trader Identification Number; and
- (g) other details that may be mutually determined between the Customs Authorities, subject, where applicable, to any necessary safeguards.

7.6 The Customs Authorities shall use any information exchanged solely for the purpose of implementing this Agreement. Any information communicated in whatever form pursuant to this Agreement shall be treated as confidential by the Parties and shall be covered by the obligation of professional secrecy, in accordance with the respective laws of each Party. A Customs Authority may disclose the information received to other domestic government agencies for the sole purpose of implementing this Agreement. Any information exchanged for the purpose of this Agreement shall not be used as evidence in judicial or administrative proceedings without the written consent of the Party which provided the information.

ARTICLE 8

Joint Committee

- 8.1 A Joint Committee, in which the Parties shall be represented, is hereby established.
- 8.2 The Joint Committee shall act by mutual agreement.
- 8.3 A Party may request that a meeting be convened. The Joint Committee shall meet as often as requested.
- 8.4 The Joint Committee shall establish its rules of procedure, which shall contain, inter alia, provisions on the convening of meetings, the appointment of the chairperson and the chairperson's term of office.

ARTICLE 9

Powers of the Joint Committee

- 9.1 The Joint Committee shall be responsible for administering the proper implementation of this Agreement. For that purpose, it shall make recommendations and take decisions.
- 9.2 Except for paragraphs 3 and 6 of Article 7, the Joint Committee may amend Articles 6 and 7 of this Agreement. An amendment made under this Article shall enter into force on a date agreed by the Joint Committee.
- 9.3 Decisions shall be implemented by the Parties in accordance with their own national legal requirements.
- 9.4 For the purposes of the proper implementation of this Agreement, the Joint Committee shall be informed on a regular basis by the Parties of experience gained in its implementation and the Parties shall, at the request of either one of them, consult one another within the Joint Committee.
- 9.5 The Joint Committee shall endeavour to resolve any matters arising from the commitments under this Agreement.
- 9.6 Any dispute between the Parties which may result from the interpretation or application of this Agreement shall be resolved through the Joint Committee.

ARTICLE 10

Safeguard measures and suspension of the provisions of Article 6

10.1 If a Party does not respect the conditions stipulated in this Agreement and as a result the compatibility and equivalence of the Programmes according to Article 5 are not met, the other Party may, after consultations in the Joint Committee and only for a scope and duration strictly necessary for settling the situation, suspend partially or completely the application of the provisions of Article 6.

10.2 Where any delay could jeopardise the effectiveness of the customs security measures, provisional protective measures may be taken without prior consultation, provided that consultations in the Joint Committee are held immediately after their adoption.

10.3 A Party may ask the Joint Committee to hold consultations about the proportionality of these measures.

ARTICLE 11

Prohibitions or restrictions on imports, exports or goods in transit

The provisions of this Agreement shall not preclude prohibitions or restrictions of the Parties on the import, export or transit of goods that are justified on grounds of public morality, public policy or public security, the protection of health and life of humans, animals, plants or the environment, the protection of national treasures possessing artistic, historical or archaeological value, or the protection of industrial or commercial property.

ARTICLE 12

Amendment

The Parties may agree, in writing, to amend this Agreement. If a Party wishes to have this Agreement amended, it shall submit a proposal to that effect to the other Party. An amendment made under this Article shall enter into force on a date agreed by the Parties.

ARTICLE 13

Entry into force

This Agreement shall be approved by the Parties in accordance with their own internal procedures. It shall enter into force on the first day of the first month

following the later of the Parties' notifications that they have completed their respective internal procedures.

ARTICLE 14

Termination

This Agreement is concluded for an unlimited duration. A Party may terminate this Agreement by notification to the other Party of its intention to do so. This Agreement shall cease three months following the date of such notification.

ARTICLE 15

Languages

15.1 This Agreement shall be drawn up in two originals, each in the German and English languages.

15.2 In case of divergence, the English text shall prevail.

In witness whereof the undersigned, being duly authorised thereto, have signed this Agreement.

Done at Bern, 1 June 2021.

**For the United Kingdom of Great
Britain and Northern Ireland:**

For the Swiss Confederation:

JANE OWEN

CHRISTIAN BOCK

CCS0621730128

978-1-5286-2662-0