



Securing and Facilitating Trade in North America

Is your business involved in international trade or the movement of goods across borders? If so, did you know...

- **Authorized Economic Operator programs** create customs-to-business partnerships aimed at securing the supply chain and facilitating legitimate low-risk trade.
- **Authorized Economic Operators** are examined at the border **significantly less** than regular cross-border traders.
- For more information, please visit:
 - Canada:** Partners in Protection Program at <http://www.cbsa-asfc.gc.ca/security-secureite/pip-pep/menu-eng.html>
 - USA:** Customs Trade Partnership Against Terrorism at <https://www.cbp.gov/border-security/ports-entry/cargo-security/ctpat>
 - Mexico:** Authorized Economic Operator at http://www.sat.gob.mx/comext/esquema_integral/Paginas/inicio.aspx

AEO programs: North America

AEO programs have been developed by customs administrations throughout the North American region. In Canada, the program operates under the name **Partners in Protection (PIP)**, in the United States it is known as **Customs Trade Partnership Against Terrorism (CTPAT)** and in Mexico the program is called **Authorized Economic Operator (AEO)**.

What are the benefits?

- AEO programs make border processes more efficient for pre-approved businesses recognized as low risk. Additionally, **membership in an AEO program can facilitate trade for importers, exporters, carriers** and others in their supply chains, as well as **enhance marketability and global competitiveness**.
 - By being considered low risk by customs authorities, AEO companies are **less** likely to experience **border delays** due to examinations.
 - AEO companies can also enjoy **faster access to the border and business resumption benefits** in the event of **border disruptions**. This results in time savings, less risk of spoiled perishable goods, and a more predictable border experience overall.
 - By incorporating various security measures, AEO companies **reduce the risk of potential tampering to their shipments**. This builds confidence with customs and border authorities and enhances a company's reputation and marketability.
- Partnerships are also in place with other customs administrations, to **extend AEO benefits to other international markets**. These partnerships, known as **Mutual Recognition Arrangements (MRAs)**, allow AEO companies to receive **border facilitation benefits in other countries**.
 - Through MRAs, our three nations **recognize each other's AEO programs**. **Once a member is validated, AEO members are granted benefits**.
 - In addition to the MRAs signed between North American partners, each country has multiple MRAs with other customs administrations and continue working towards reaching MRAs with various AEO programs around the globe. This means your business could be recognized as an AEO in a growing number of countries, further enhancing your **company's global competitiveness**.

- AEO members who wish to receive MRA benefits must grant their respective program the consent to share the agreed upon information. To provide consent, please follow your AEO program’s guidance.
- For more information on specific program benefits for businesses, visit the customs administrations’ websites.

Success stories from AEO companies

Better planning

“Our group of companies have been a member of PIP since 2002. During the years in the program we have experienced reduced delays and inspections at the border, creating business opportunities in the way of efficient and lean inventories and better planning in regards to manufacturing. As a result of being a member of PIP, our companies were able to establish an excellent working relationship with CBSA, which proved to be very useful when dealing with trade issues. I would highly recommend any business doing or planning on doing business in Canada to be an active member in the PIP program.”

Time reduction

“In order to obtain authorization as a certified company, we made considerable changes in our processes. It was a lot of work, however, the company took a huge step in terms of security. Once the Mexican Tax Administration Service visited our plant, we realized that the team effort was worth it. Today, one of our main benefits as an AEO certified company is the joint customs clearance, which enables us to reduce our delivery and border crossing times. This has resulted in remarkable savings in our operation.”

Efficiency and security

“As a Fortune-500 Multinational company with brand presence in over 65 countries, it is critical for us to effectively assess and mitigate risk in our supply chain. The CTPAT program has provided us with a comprehensive world-class solution to protect our people, cargo flows, and facilities, while enabling us to closely collaborate with U.S. Customs and Border Protection (CBP) to protect our homeland. Since our certification over 10 years ago, we have certified three international subsidiaries and collaborated with hundreds of business partners to share the benefits of the CTPAT certification, which include expert advice from CBP’s Supply Chain Security Specialists and a number of partnership privileges to make our supply chain more efficient and secure.”

PIP, CTPAT and Mexican AEO

“Many of our largest global customers are members of the same program(s) and they expect their suppliers to uphold the Trusted Trader cargo security standards, or to become directly certified in the program(s). Our membership reduces the frequency of cargo exams required to import our goods into Canada, allowing our international supply chain to be more efficient with just-in-time inventory management strategies. Our international transportation providers recognize the reduced risk and handling concerns because of our certification, which minimizes their costs to manage our logistics and customs clearance requirements. Finally, we believe it is good corporate citizenship to cooperate with national customs administrations on the topic of security.”

Who is eligible? And how do I apply?

- Businesses that demonstrate strong supply-chain security procedures and practices may be eligible to become AEO companies and improve their global competitiveness.
- Importers, exporters and carriers are some of the trade chain partners that are eligible to apply for an AEO program membership. Each country has its own eligibility criteria and application process. Find out if your business can apply to an AEO program in Canada, the United States or Mexico.

For further information, visit our websites or contact us:



Canada:

Partners in Protection Program

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USA:

CTPAT

industry.partnership@dhs.gov

Mexico:

Authorized Economic Operator

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