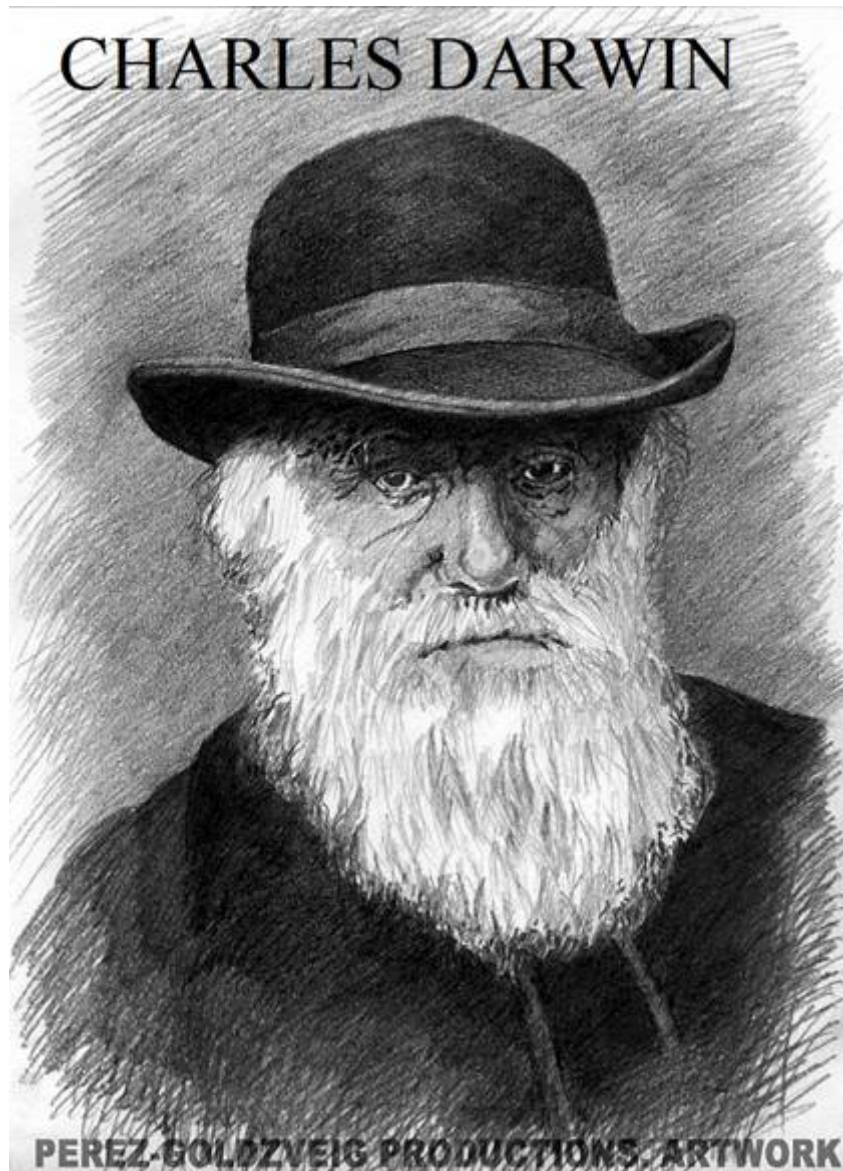


**PYSDENS SOLICITORS
PRESS RELEASE 108.2**

K. PYSDEN / S. PEREZ-GOLDZVEIG / E. DURAN SASTRE
www.pysdens.com <http://www.thehouseofbranchofgold.com/>



(AUTHORISED) ECONOMIC OPERATORS^[1] /
“ROTTERDAM RULES”: WHO IS AN EXPERT? WHAT
LEGAL POWERS SHOULD THE REGULATORS HAVE TO
DECIDE THIS? WHAT SHOULD THE FINANCIAL COST BE
TO GAIN EXPERT ACCREDITATION?

1. Introduction: Continuing with our comments on the AEO Status, we note that on TAXUD/2006/1452 it is stated that *“For a Customs officer it is no longer possible to check every declaration due to lack of capacity in relation to workload. And even if it would be possible, it would neither be necessary nor desirable... One of customs main tasks is to **assess risks in the flow of goods**. Risks are those factors that could influence Customs objectives. In perusing those objectives it is important to have good knowledge of the risks that face and the impact they might have on the objectives... The purpose of using risk management is to aim Custom’s control activities on risks rather than on random selected aspects or declarations”^[2]* In a different but similar vein we note that in a Law Society Gazette article issued 1st December 2011 entitled *““Quality marks” must not usurp regulators”* it is stated that *“The legal sector/s consumer watchdog has warned that **voluntary quality marks** should not become mandatory to access part of the market as this could “usurp” the role of regulators”* and that *“applicants for our schemes are assessed by experts in the relevant field. Shortly, for example we will commence unannounced audit visits on CQS members – precisely what the report^[3] sensibly proposes”* Once more in a different but similar vein, Nicolette van der Jagt Secretary General at the European Shippers’ was reported to say that *“Ultimately, stability will result from a build up of customer loyalty through **increased quality differentiation**. It is why I worry that standards and quality shipping may be at further risk in these prolonged difficult economic times.”^[4]* In the mean time on 9th December 2011 there was a European Council summit which in the opinion of experts was not likely to and indeed did not bring a quick solution to the current financial crisis within Europe or to the rest of the world. We have noted with reference to AEO status and the Rotterdam Rules that there has been a lack of attention to their respective cost/benefit effects by governments which is a worrying concern to those who see the financial burdens and potential damage that AEO status and the Rotterdam Rules coming into force could cause for little or no benefit to much of the logistics and transport sectors.

2. Comment: The introduction above raises some important questions:

[1] Read “ WCO Research Paper No. 14 - Compendium of Authorized Economic Operator Programmes 2011 edition - Mariya Polner”

[2] Taxud/2006/1452 p.2

[3] Report by the Legal sector’s consumer watchdog the Legal Services Consumer Panel.

[4] Containerisation International: December 2011 “The X factor is “Q”” P.27

- (a) If a customs officer is not able to check every declaration due to lack of capacity in relation to work load, will he/she be able to cope with site inspections on thousands of AEO certificate holders to ensure that the standards required are being maintained on a permanent basis? Should this be a duty placed on Customs officers and if not what benefit is there in the programme?
- (b) What level of expertise of customs officers is customs able to guarantee to AEO certificate holders and applicants under the different certificates customs issue? Does the programme have any benefit without such a guarantee?
- (c) What is the effect on those operators who cannot afford the time or expense of gaining accreditation but run their business to appropriate standards?
- (d) How much does it cost to maintain the regulation of accredited operators; is it actually being done or is this effective self regulation with a view to punishing accredited operators after the event should something go wrong and how does this affect non accredited operators commercially?
- (e) Where is the actual cost/benefit of the programme?

We at Pysdens Solicitors make every effort to keep our expenses to a minimum in order to pass our savings to our clients. Our fees are very competitive which, in times of economic difficulties, is important to consider. Our policy is to resolve disputes early rather than to litigate.

Disclaimer: This is not legal advice. We cannot advise any party to act based on this report without first consulting a specialised solicitor. The opinions in this report are those of the writers.

Note: In producing this press release by Pysdens Solicitors, the model published in the book entitled "GUIDELINES TO CONSIDERATION IN RESPECT OF COMMERCIAL DEALINGS" by S. Perez-Goldzveig and K.Pysden forming part of the research and development programme "COMMERCIAL GUIDE INITIATIVE" by S. Perez-Goldzveig and K.Pysden being part of "TheHouseofBranchofGold" was used with the authorisation of the authors.

Artwork by Perez-Goldzveig Artistic Productions.

Contact: sam.perez@pysdens.com

Pysdens Solicitors

108 Fenchurch Street

Third Floor

ECRM 5JR

City of London – 12/12/11.