

On **December 20-21, 2018**, AEB organized an official visit to Germany for a delegation of the Eurasian Economic Commission (EEC), headed by Mukai Kadyrkulov, EEC Minister for Customs Cooperation, in order to share the best European practices in the field of customs regulation, namely, customs control, simplify customs procedures, the benefits of the status of authorized economic operator exemplified by Porsche AG.

On **December 20**, the EEC and AEB delegations visited Porsche's main plant for producing sports car models in Stuttgart-Zuffenhausen, and the automated spare parts warehouse for Porsche Logistics GbmH, in order to learn more about the production process and customs clearance for the company's products, as well as the benefits provided by its status as an authorized economic operator.

During the plant visit, representatives from Porsche AG showed the Eurasian Economic Commission delegation the production process for the sports cars. There was also an opportunity to visit the body shop/unit, the component assembly shop/unit, the engine assembly shop/unit and leather processing shop /unit.

The plant employs approximately 6,500 employees who carry out the manual assembly of cars, creating an exclusive and customized model for each client. Thus, when assembling the engines for Porsche sports cars, robots are involved in only 10% of the work (since each model requires a custom approach), and therefore every car produced is highly customized. Daily about 260 cars and electric engines are assembled.



A separate factory was built at the Porsche site in Stuttgart-Zuffenhausen to manufacture electric sports cars. The maximum charge of the lithium-ion battery is 800V and one charge is sufficient for 600 km. The battery is fully chargeable in 15 minutes.



In addition, all members of the delegation were given the opportunity to visit the Porsche Museum, which houses exhibits narrating the 70-year history of the Porsche brand since its inception.

On the same day, the delegation visited the automated logistics complex for Porsche Logistics GbmH, a subsidiary of Porsche AG. The warehouse complex has been completely automated for the past 10 years. Spare parts are delivered to the storage and assembly areas with the help of trolleys. The racks in the warehouse complex storage area, designed to store spare parts of different dimensions, is as high as 30 meters. The alleys are 100 meters deep. The warehouse complex was built using modern energy-saving technology and has its own power plant. Within an hour, at least 1,800 parts are gathered and delivered to the operating area. The quality rate is 0.17 per 1000 parts, which indicates a high degree of technological and operational effectiveness.



Then, after inspecting the warehouse, a meeting was held with the Porsche AG customs department to discuss customs administration issues. The company has had the status of an authorized economic operator (AEO) for more than 10 years. The main criterion for granting AEO status is recognizing the company's status as one of the largest taxpayers. To obtain this status per the AEO institute's regulatory instruction/directive, the company fills out a special catalog. The European Union is subject to unified customs regulation and unified requirements for obtaining AEO status. In the course of the discussion, representatives from Porsche's Customs Department provided information on the main advantages and simplifications that AEO status gives their traders.

Interactions with customs take place in electronic format through the ATLAS electronic system. Customs authorities have the company's complete product catalog. The electronic declaration is sent to customs, and after 3 minutes customs gives an answer and a declaration is automatically issued. Cases where the customs service requests additional documents and information are isolated, for example, when goods are exported to a country with a high level of risk.



In addition, on **December 21**, AEB organized a meeting with Mukai Kadyrkulov, the EEC Minister, with Hans Josef Haas, Vice President of the German Customs Service to discuss topical issues of customs administration and learn about European practices in the customs regulation field. The benefits for the trader provided by AEO status in the EU were discussed including the organization of customs clearance and customs control, the application of simplified customs procedures, as well as the deferred customs value determination process, making changes to the customs declaration after the release, non-tariff regulation, and risk analysis systems. The heads of line departments for the Customs Service also participated in discussing the above issues.



During the meeting, Mukai Kadyrkulov shared information with colleagues about the Eurasian Economic Union, besides to some aspects of customs regulation and administration in the EEU. He noted that the draft Customs Code of the Eurasian Economic Union was prepared with active participation by business community representatives, including experts from AEB.

The discussion at the meeting was productive and constructive. During the discussion, an agreement was reached to organize such meetings on a regular basis to exchange information on best practices in the customs field.