

AEO financial solvency criteria in the Eurasian Economic Union

Financial indicators

	Absolute indicators
1	Net assets
2	Amount of charter capital
3	Residual value of fixed assets
	Relative indicators
4	Equity ratio
5	Liquidity adequacy ratio
6	Return on equity (ROE)
7	Financial stability ratio
8	Working capital financed by equity to total assets
9	Current assets to equity ratio

The Customs Code of the Eurasian Economic Union (hereinafter - the EUEU) states the financial stability as a condition for granting the status of an authorized economic operator (hereinafter - AEO).

The Eurasian Economic Commission together with EUEU member states has developed the methodology for determining the financial stability of the potential AEO (now it is only in the draft).

This document provides a unified algorithm for the assessing of the financial stability of the potential AEO for customs purposes. At the same time, this document is open and available for business as well as for customs authorities. It excludes a subjective approach to determining financial sustainability.

In total, there are nine indicators of financial sustainability. Three of them are absolute, expressed in national currencies. Six indicators are relative, expressed at a percentage.

Each indicator has a minimum value. Points are provided when companies' parameters achieve such minimum value. If the potential AEO has the calculated value that exceeds or equal the set value of particular indicator it could receive a certain number of points. If a company has no points on one indicator it does not mean that it cannot be an AEO. Such company can receive points for another indicator, if its parameters exceed minimum values.

All received points must be summarized. And if their total number exceeds 50 points, the applicant is considered as financially sustainable for customs purposes.

The financial solvency indicators values are calculated on the basis of the annual accounting reports of the legal entity. The financial sustainability of the organization is subject to annual reassessment. If the company is considered as financial sustainable (meets financial solvency criteria) it must not provide with a financial guarantee.

But it must be noted that above-mentioned suggestions are based on new EUEU Customs Code that is not entered into force yet.