



Brussels, 19 March 2018.

GLOSSARY OF INTERNATIONAL CUSTOMS TERMS

- New proposed terms for inclusion in the Glossary -

(Item XI. on the Agenda)

I. Background

1. The Glossary of International Customs Terms is one of the oldest WCO tools that was developed in 1958 and has been regularly updated since then. The purpose of the Glossary is to capture definitions of certain Customs terms in a single document in order to establish a common Customs terminology, intended not only to facilitate the work of the Council, but also to assist Members and non-Members, international organizations and trade circles to develop a uniform approach to Customs issues and ensure use of the same terminology. The regular update of the Glossary is within the work of the Permanent Technical Committee.
2. In April 2017, the PTC approved, for inclusion in the Glossary, the definitions of *Coordinated Border Management (CBM)*, *One Stop Border Post*, *Transaction Value*, *Unique Consignment Reference (UCR)* and *WCO Data Model*.
3. Furthermore, the PTC decided that the work on the rest terms in the Annex II would be taken forward at the next session, based on work to be done during the intersession by volunteers from Member Customs and the Secretariat.

II. Volunteer Group and approved terms on last October PTC

4. Following the decision of the April 2017 PTC, Vietnam volunteered to support the Secretariat in preparing the prospective update of the Glossary.
5. While the work on the majority of the terms contained in the Annex II is still progressing, in October 2017, the definitions of 7 terms – Advance ruling, Checking the Goods declaration, Customs formalities prior to the lodgement of the Goods declaration, Omission, Outward processing, Transfer pricing, WTO Valuation Agreement - were approved for inclusion in the Glossary.

6. Additionally, the definition of 'SAFE Frameworks of Standards' was contained in the existing Glossary, as it needed to be updated. The updated version of the Glossary can be accessed at <http://www.wcoomd.org/en/topics/facilitation/instrument-and-tools/tools/glossary-of-international-customs-terms.aspx>.

III. Intersessional work on the update of the Glossary

7. The Secretariat categorized the rest terms in the Annex II in 3 groups of list, i.e. 1) *Traditional concept*, 2) *Legal concept*, 3) *New trend Concept including IT*. Onward, terms by group will be selected with a view to the balanced criteria.
8. The terms and definitions that should be considered to be updated by PTC are listed in Annex I - Customs territory, Customs valuation, De minimis and Globally Networked Customs (GNC).
9. The rest of the terms in the Annex II are undergoing a comprehensive review by the Secretariat, with the support of the volunteer, and some draft proposals regarding these terms will be put forward for approval by the October PTC in 2018.

IV. Action required

10. The PTC is invited to examine and, if appropriate, approve the terms and definitions included in the Annex I with a view to incorporating them in the Glossary. Regarding the 'Globally Networked Customs (GNC)' definition, the PTC is asked to its preference for one of the possible definitions in Annex I.

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4 terms for inclusion in the Glossary of International Customs Terms in April PTC on 2018

Proposed term	Draft definition	Source & Remarks
1 Customs territory	The territory in which the Customs law of a <u>Country or Group of countries</u> applies. (Note) Contract parties => a country or Group of countries	General Annex, E12/F25, Ch 2 of the RKC.
2 Customs valuation	A customs procedure applied to determine the customs value of <u>imported/exported</u> goods. If the rate of duty is ad valorem, the customs value is essential to determine the duties to be paid. (Note) imported => imported/exported	Article 15, WTO Agreement on Customs Valuation.
3 De minimis	A minimum value and/or a minimum amount of duties and taxes, established by the national legislation, below which no duties and taxes will be collected (by the government).	General Annex, 4.13, Ch 4 of the RKC.
4 Globally Networked Customs (GNC)	1) Systematic exchange of information of commercial nature between Customs administrations to enhance Border Agencies' ability to deliver regulatory services in a more timely and efficient manner for improved risk assessment and control, enhanced data quality; improving re-use of data already available in import, export or transit declarations and similar data transfers from trade community to Customs.	Definition in line with the coverage of GNC handbook.
	2) The voluntary arrangement between two or more Members for a seamless exchange of cross border information at a Customs to Customs level using a standardized approach based on existing WCO instruments	The new proposal of Secretariat.

List of terms proposed for inclusion in the Glossary of International Customs Terms

3 types of group - T : Traditional Concept(Grey,14), L : Legal concept(Green,4), N : New trend concept including IT(Yellow,11)

No	Proposed term	Draft definition
1	Authorized Operator	(*) A definition needs to be developed onward.
2	Comprehensive guarantee for transit	Customs guarantee covering multiple transit transactions through pre-defined customs territory/territories
3	Customs broker	An intermediary between traders and Customs in Customs clearance process. Note: See the definitions of Customs Clearing Agent and Third Party.
4	Customs territory	The territory in which the Customs law of a Contracting Party applies.(*) (*) General Annex, Chapter 2 of the revised Kyoto Convention.
5	Customs valuation	A Customs procedure applied to determine the customs value of imported goods. If the rate of duty is ad valorem, the customs value is essential to determine the duty to be paid on an imported good.
6	De minimis	A minimum customs value of goods and/or a minimum amount of duties and/or taxes, established by the national legislation, below which no duties and/or taxes will be collected.
7	Discharge of guarantee	(*) A definition needs to be developed onward.
8	Dual use items	Products and technologies normally used for civilian purposes but which may have military applications and/or can contribute to the proliferation of Weapons of Mass Destruction.
9	Electronic commerce	The production, advertising, sale and distribution of products via telecommunications networks.
10	Electronic payment	(*) A definition needs to be developed onward.

No	Proposed term	Draft definition
11	Enquiry Points	<p>An official or office in a WTO member government designated to deal with enquiries from other WTO members and the public on a subject such as technical barriers to trade or sanitary/phytosanitary measures.</p> <p><i>Notes</i></p> <p>1. Enquiry points are dealt with in Article 1.3 of the WTO Agreement on Trade Facilitation.</p> <p>2. The Guidelines to Chapter 9 of the General Annex of the revised Kyoto Convention provide sufficient guidance on enquiry points/offices. The Guidelines to Chapter 7 of the General Annex of the revised Kyoto Convention also include guidance on how to set up a Help Desk (which is equivalent to an enquiry point) and its components.</p>
12	Expedited shipments	(*) A definition needs to be developed onward.
13	Global Value Chain (GVC)	The concept of a value chain is used to describe the full range of activities that firms and workers do to bring a product (good or service) from its conception to its end use and beyond. This includes activities such as design, production, marketing, distribution and support to the final consumer. Specifically, when activities must be coordinated across multiple firms and geographic spaces, the term global value chain (GVC) is used.
14	Globally Networked Customs (GNC)	An inclusive, interconnected Customs-to-Customs information-sharing system to support and improve the functioning of the international trading system, national economic performance, and the protection of society and fiscal management.
15	Guarantee waiver	Conditional revocation of the requirement to furnish the customs transit guarantee for the economic operators fulfilling the specific requirements.
16	Guarantor	A natural or legal person who guarantees to pay for Customs debt of the economic operator in case he or she fails to fulfill his/her obligations to Customs.
17	Individual guarantee for transit	Customs guarantee furnished for only one transit transaction in predefined customs territory/territories.
18	International guarantee	The customs guarantee legally applicable in several customs territories and that is legally binding by international agreements or conventions.
19	Mutual Recognition Agreement	(*) A definition needs to be developed onward.
20	National guarantee	The customs guarantee legally applicable only within one country according to national legislation of that country.

No	Proposed term	Draft definition
21	Perishable goods	Goods that rapidly decay due to their natural characteristics, in particular in the absence of appropriate storage conditions.
22	Pre-arrival processing	(*) A definition needs to be developed onward.
23	Preshipment inspections	<p>The practice of employing specialized private companies (or “independent entities”) to check shipment details, essentially price, quantity and quality, of goods ordered overseas.</p> <p>Notes: Preshipment inspections are dealt with in the WTO Agreement on Preshipment Inspection and in Article 10.5 of the WTO Agreement on Trade Facilitation. Under Article 1.3 of the Preshipment Inspection Agreement, preshipment inspection activities are defined as follows: “Preshipment inspection activities are all activities relating to the verification of the quality, the quantity, the price, including currency exchange rate and financial terms, and/or the customs classification of goods to be exported to the territory of the user Member.</p>
24	Principal (holder) of transit procedure	A natural or legal person on whose behalf the transit declaration is made or a natural or legal person to whom the rights and obligations in respect of transit procedure was transferred.
25	Regional guarantee	The customs guarantee legally applicable within the customs territory of several countries and that is legally binding by any regional agreement between respective countries.
26	Rejected goods	(*) A definition needs to be developed onward.
27	Seal	<p>A piece of metal or other material used to join together two ends of a fastening in a secure manner. (*) More sophisticated seals, including electronic ones, are being developed.</p> <p>(*) Council Recommendation concerning Customs sealing systems in connection with the international transport of goods, 1968.</p>
28	Time Release Study (TRS)	A strategic internationally accepted tool to measure the actual time required for the release and/or clearance of goods, from the time of arrival until the physical release of cargo, with a view to finding bottlenecks in the trade flow process and taking the corresponding necessary measures to improve the effectiveness and efficiency of border procedures.
29	Trade Hub	Information web portal that represents a government-wide effort to provide regulatory information from a trader's perspective, and may include procedural information, tariff and non-tariff restrictions, commodity classification, valuation and the determination of landed costs.