



GLOSSARY OF INTERNATIONAL CUSTOMS TERMS

(Item XVI on the Agenda)

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, in a single document, definitions of certain Customs terms 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 purview of the Permanent Technical Committee (PTC).
2. In April 2017, at its 215th/216th sessions, 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*. 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>.
3. Furthermore, in April 2017 the PTC decided that the work on the rest of the terms in the Annexes to Doc. PC0475 would be taken forward at the next session of the Committee, based on work to be done during the intersession by volunteers from Member Customs administrations and the Secretariat.

Intersessional work on the update of the Glossary

4. Following the decision of the April 2017 PTC, Viet Nam and France volunteered to support the Secretariat in preparing the prospective update of the Glossary. While the work on the majority of the terms contained in the Annexes to Doc. PC0475 is still progressing, seven terms are proposed herewith for inclusion in the Glossary. These terms and the respective definitions are outlined in the Annex to this document. The Annex contains also a definition that has already been included in the Glossary, but needs to be updated, i.e. the definition of *SAFE Frameworks of Standards*.

PC0492E1

5. The rest of the terms in the Annexes to Doc. PC0475 are undergoing a comprehensive review by the Secretariat, with the support of the volunteers from Viet Nam and France, and draft definitions of these terms will be put forward for approval by the PTC in April 2018.

Action required

6. The PTC is invited to examine and approve the terms and definitions included in the Annex hereto with a view to incorporating them in the Glossary.

*

* *

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

Proposed term	Draft definition	Remarks
Advance ruling	<p>A written decision provided by Customs administrations or other relevant authorities to the applicant prior to the importation or exportation of a good covered by the application that sets forth the treatment that the Member shall provide to the good at the time of importation/exportation.</p> <p>Notes:</p> <ol style="list-style-type: none"> 1. Advance rulings are dealt with in Article 3 of the WTO Agreement on Trade Facilitation. 2. Advance rulings are provided for under the revised Kyoto Convention standard on “binding rulings” (General Annex, Standard 9.9) as well as in the WTO Agreement on Rules of Origin (“assessments on origin”). Some Customs administrations may refer to advance rulings as “preliminary decisions”; “binding tariff information” or “binding origin information”. 	Reviewed by the WCO Tariff and Trade Affairs Directorate.
Checking the Goods declaration	<p>The action taken by the Customs to satisfy themselves that the Goods declaration is correctly made out and that the supporting documents required fulfil the prescribed conditions. (*)</p> <p>(*) General Annex, Chapter 2 of the revised Kyoto Convention</p>	The source of the definition is the Revised Kyoto Convention.
Customs formalities prior to the lodgement of the Goods declaration	<p>All the operations to be carried out by the person concerned and by the Customs from the time goods are introduced into the Customs territory until goods are placed under a Customs procedure. (*)</p> <p>(*) Specific Annex A, Chapter 1 of the revised Kyoto Convention.</p>	The source of the definition is the Revised Kyoto Convention.
Omission	<p>The failure to act or give a decision required of the Customs by Customs law within a reasonable time on a matter duly submitted to them. (*)</p> <p>(*) General Annex, Chapter 2 of the revised Kyoto Convention</p>	The source of the definition is the Revised Kyoto Convention.
Outward processing	<p>Customs procedure under which goods which are in free circulation in a Customs territory may be temporarily exported for manufacturing, processing or repair abroad and then re-imported with total or partial exemption from import duties and taxes. (*)</p> <p>(*) Specific Annex F, Chapter 2 of the revised Kyoto Convention.</p>	The source of the definition is the Revised Kyoto Convention.
SAFE Frameworks of Standards	<p>The expression commonly used to refer to the WCO SAFE Framework of Standards to secure and facilitate global trade, adopted by the Customs Co-operation Council in 2005, <u>as amended</u>.</p>	The proposed amendments to the existing definition appear in “ strikethrough ” and “ <u>underline</u> ”.

Proposed term	Draft definition	Remarks
Transfer pricing	A neutral concept that refers to the determination of transfer prices for transactions between related parties.	Based on the WCO Guide to Customs Valuation and Transfer Pricing. The definition has been reviewed by the WCO Tariff and Trade Affairs Directorate.
WTO Valuation Agreement	The expression commonly used to refer to the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, which sets out the methodology and requirements for determining the Customs value for imported goods subject to ad valorem duties.	Reviewed by the WCO Tariff and Trade Affairs Directorate.
