

**ABANDONED GOODS:** Articles declared by an importer, consignee, or representative to be abandoned and therefore the property of the U.S. Government. Also applies to goods left too long in a bonded warehouse and therefore becomes the property of the U.S. Government.(19CFR127.11-127.13)

**ACE – Automated Commercial Environment** is the commercial trade processing system being developed by CBP to facilitate legitimate trade and strengthen border security.

**ACTUAL USE:** When the classification of an article is dependent upon its actual use after importation. (19CFR10.137)

**AD. VALOREM:** (According to value) A tariff calculated as a percentage of the value of goods cleared through Customs.

**ADDED VALUE:** A term implying that at each production and distribution function, a product's value is increased in terms of time, place, and form.

**APPRAISEMENT:** The act of reaching a conclusion concerning the value for customs purposes of imported merchandise.

**BALANCE OF PAYMENTS:** A statement which indicates a country's foreign economic transactions over a specified time.

**BALANCE OF TRADE:** The difference between a country's total imports and exports over a given period. A favorable balance of trade results from exports exceeding imports.

**BILL OF LADING:** A contract between a shipper and a carrier that provides proof that the merchandise was transferred from the shipper to the consignee and that the carrier has assumed responsibility for the cargo until it is delivered.

**BILL OF LADING NUMBER:** A unique number shown on a bill of lading at the time the merchandise is accepted for shipment.

**B/L:** Bill of lading.

**BOND:** An acceptable, written financial guarantee required to be given to Customs to secure a transaction by specifically binding the obligator to certain covenants for certain amounts. (19CFR113)

**BONDED GOODS:** Goods in charge of Customs officers on which bonds instead of cash have been given. The goods in question have not "cleared Customs".

**BONDED WAREHOUSE:** A warehouse approved by the U.S. Treasury or Canadian Revenue Agency (CRA) into which non-cleared goods may be placed.

**BREAK BULK:** The splitting up of one consolidated shipment into smaller ones for ultimate delivery to various consignees.

**C.A.D.:** Cash against documents.

**CARGO AGENT:** An agent appointed by an airline to solicit and process international air freight for shipments.

**CBSA (CANADIAN BORDER SERVICES AGENCY):** The Agency is responsible for providing integrated border services that support national security and public safety priorities and facilitate the free flow of persons and goods, including animals and plants, that meet all requirements under the program legislation.

**CERTIFICATE OF ORIGIN:** A document certified as to the origin of goods.

**CERTIFICATE OF REGISTRATION:** A document used to authenticate the description of the contents, the means of conveyance, and the date of departure of merchandise exported from the U.S..

**C.F.:** Customs Form.

**CLASS RATING:** A single freight rate applicable to a group of commodities with similar attributes.

**CLEAN BILL OF LADING:** Document of receipt issued by the carrier when the goods are received in good order.

**COMMERCIAL INVOICE:** An invoice required to be presented to Customs representing one shipment of merchandise by one consignor to one consignee by one vessel or conveyance which clearly identifies the product for classification and appraisal purposes.

**COMMINGLED GOODS:** The combining of merchandise in a shipment that makes the normal determination of duty impossible unless the importer segregates the merchandise or provides other proper evidence of the quantities of the various merchandise. (19CFR152.13)

**COMPUTED VALUE:** Approved additions of dutiable amounts accumulated to reach a value of merchandise for purposes of appraisal by Customs. (19CFR152.106)

**CONSTRUCTIVE TRANSFER:** A legal function that permits acceptance of a Customs entry for merchandise in a zone before its physical transfer to the Customs territory. (19CFR146.1)

**CONSUMPTION ENTRY:** An official form used for declaration of reported goods also showing the total duty due.

**CO-PRINCIPAL:** When two people (eg: individual, partnership, corporation) join together with the same legal status to become the entity accepting primary liability for all government debts secured by a bond. (19CFR113.34)

**COUNTERVAILING DUTY:** The imposition of a special duty by the Customs service after the finding of foreign subsidies which influence the price paid or payable in the U.S. adversely affecting the domestic manufacturers.

**COUNTRY OF EXPORTATION:** Usually but not necessarily the country in which merchandise was manufactured or produced and from which it was first exported.

**COUNTRY OF ORIGIN:** The country where the goods are considered to have originated for customs purposes. The factors besides the cost of the materials involved are the cost of freight, insurance, packing, and all other costs of transferring the materials to the plant, waste, taxes and duty, etc..

**CSA – Customs Self Assessment,** securing CSA certification allows a carrier to provide expedient and secure transportation services on all international shipments. Established by the CBSA, the CSA certification process consists of assessment of a shipper, broker or transportation provider's accounting and payment processes for imported goods originating from U.S. manufacturers. CSA-certification focus is on improved data collection and processing to increase cross-border efficiency. To qualify for CSA-expedited shipping, the carrier, driver and Canadian importer all must be CSA-certified. The CSA program will allow the importer to submit payments once a month compared to numerous single transactions. All entities in the clearance process, i.e. importer, carrier, driver must be accepted into the program and be approved in order to participate.

**CUSTODIAL BOND:** A basic covenant entered into by the obligators on a surety bond taken to secure the lawful activities of a custodian of any bonded articles, which describes the requirements of conveyance, protection, and general compliance in the handling of bonded merchandise. (19CFR113.63)

**CUSTOMHOUSE:** The government office where duties and/or taxes are placed on imports or exports and are paid.

**CUSTOMHOUSE BROKER:** A person or firm, licensed by the Treasury department engaged in entering and clearing goods through Customs.

**CUSTOMS:** A Government authority designated to regulate the flow of goods to and from a country and to collect duties levied by a country on imports and or exports. The term also applies to the procedures involved in such collection.

**CUSTOMS COURT:** A U.S. Customs Services court based in New York, N.Y., consisting of three 3-party divisions to which importers may appeal or "protest" classification and value decisions and certain other actions taken by the U.S. Customs Service.

**CUSTOMS DECLARATION:** A statement, oral or written, attesting to the correctness of description, quantity, value, use, etc., of merchandise offered for importation into the United States.

**CUSTOMS INVOICE:** A document that contains a declaration by the seller as to the value of the goods.

**CUSTOMS TARIFF:** A schedule of charges assessed by the federal government on imported and/or exported goods.

**DECLARED VALUE (CUSTOMS):** The selling price of the contents or the replacement cost if the contents are not for resale. The value must be equal to or greater than the declared value above.

**DETRIMENTAL RELIANCE:** A "reasonable reliance" upon either a ruling letter or "treatment previously accorded by Customs to substantially identical transactions" over a period of at least 2 years. As a direct consequence of that "reasonable reliance" the party must have suffered to their detriment.

**DUTY:** Customs duties and internal revenue taxes which attach upon importation.

**ENTRY:** The documentation to be filed with the appropriate Customs officer to secure the release of imported merchandise from Customs custody or the act of filing that documentation. (19CFR141.0)

**EXPORT:** The sending of goods to a foreign country.

**EXPORT BROKER:** One who brings together the buyer and seller for a fee and then withdraws from the transaction.

**EXPORT DECLARATION:** A formal statement made to the collector of customs at a port of exit declaring full particulars about goods being exported.

**EXPORT LICENSE:** A permit required to engage in the export of certain commodities to certain destinations. Lists of such goods are found in the comprehensive Export Schedules issued by the Bureau of Foreign Commerce.

**EXPORT MERCHANT:** A producer or merchant who sells directly to a foreign purchaser without going through an intermediary.

**F.A.K.:** Freight of all kinds. The broadest of the generic class rates published by carriers. FAK rates allow shippers to mix loads that under other rate category agreements would have to be shipped under separate rates.

**FREE TRADE ZONE:** A predetermined area or region declared and secured by or under governmental authority where certain operations may be performed with respect to articles without such articles having entered into the commerce of the country maintaining the free trade zone. (19CFR10.175)

**FURTHER REVIEW:** A request for review of the decision which is the subject of the protest by Customs officers on a higher level than the district, and in Region II by Customs officers who did not participate directly in the decision which is the subject of the protest. (19CFR174.1)

**GATT:** General Agreement on Tariffs and Trade. Also known as the Uruguay Round of multilateral trade negotiations comprising a comprehensive set of trade agreements between parties to this agreement. Parties include the U.S. and numerous Asian Pacific and European countries.

**GENERAL ORDER:** Articles taken into Customs custody and placed in a public store or general order warehouse by the district director at the risk and expense of the consignee. (19CFR127.1)

**I.A.T.A.:** International Air Transport Association. The trade and service organization for airlines of more than 100 countries serving international routes.

**IMPORT BROKER:** For a fee, the "broker" or "agent" will locate vendors and handle the required paperwork. Title passes directly to the buying organization.

**IMPORT LICENSE:** A document required and issued by some national governments authorizing the importation of goods into their individual countries.

**IMPORT MERCHANT:** A merchant who buys overseas for his own account for the purpose of later resale, handling all details of import documentation and transportation.

**IMPORT QUOTA:** A fixed amount of goods that a government will allow to be imported within a specified period of time. An amount that usually reflects balance of trade and other political and economic considerations.

**IMPORT RATE:** A rate established specifically for application on import traffic and generally less, when published, than a domestic rate.

**IMPORTER:** The person primarily liable for the payment of duties on imported merchandise, or an authorized agent working on his behalf. (19CFR101.1)

**IN-BOND:** The transfer of materials that are to be forwarded "in-bond" from the importing carrier at the port of entry to the on-forwarding carrier. (19CFR18.2)

**INFORMAL ENTRY:** A simplified import entry procedure accepted at the option of Customs for any noncommercial shipment and any commercial shipment not over \$1,250 in value.

**MANIFEST:** A detailed summary of the total cargo of a vessel which is used principally for Customs purposes.

**MANIPULATION:** (bolded) An application to manipulate on Customs Form CF3499 to clean, sort, repack, or otherwise change in condition (not manufacture) articles that have been entered into a bonded warehouse. (19CFR19.11)

**MANUFACTURER'S EXPORT AGENT:** A firm that acts as an export sales agent for several non-competing manufacturers. Business is transacted under the name of the agent firm.

**MANUFACTURING WAREHOUSE:** A building or part of a building that is designated by the district director to produce articles in whole or in part of imported materials, while under bond, or of materials subject to internal revenue tax, and intended for exportation without being charged with duty, and without having an internal revenue stamp affixed thereto. (19CFR19.13)

**MAQUILADORA:** The Maquiladora (or "in-bond" industry) program allows foreign manufacturers to ship components into Mexico duty free for assembly and subsequent re-export.

**MITIGATING FACTORS:** Factors which, when proven to exist, lessen the severity of a penalty. Such factors include: contributory customs error, cooperation with the investigation, immediate remedial action, inexperience in importing and/or prior good record.

**M.P.F.:** Merchandise Processing Fee. A fee collected by the U.S. Customs Service representing a service charge for clearing U.S. Customs.

**N.A.F.T.A. (North America Free Trade Agreement).** Free Trade Agreement implemented on January 1, 1994 between Canada, the United States and Mexico to phase out duty on most goods within a 10 year period. In order for an importer to claim the benefits of NAFTA tariff preference, the exporter must provide a NAFTA Certificate of Origin for products that qualify under the particular "Rules of Origin" applicable to the good in question.

**NONRESIDENT:** An individual who does not reside within, or a partnership without any partners residing within, the Customs territory of the U.S., or the U.S. Virgin Islands, or a corporation not incorporated in and not maintaining jurisdiction within the Customs territory of the U.S., or in the U.S. Virgin Islands. (19CFR141.31)

**OBLIGORS:** All principals and sureties so shown on a Customs Bond or other financial guarantees required to be given under the Customs laws to secure a transaction by specifically binding such parties to certain described covenants.

**PAPS** – see Pre-Arrival Processing System

**PARS** – see Pre-Arrival Review System

**PARTNERS IN PROTECTION (PIP):** A program of the Canadian Border Services Agency (CBSA) that works in conjunction with C-TPAT and is intended to tighten border security while keeping the border open to the free flow of known, low-risk legitimate trade. *PIP is a program for Canadian importers.*

**PENALTY (notice of):** A Notice of Penalty on Customs Form CF5955 is a formal notice that an act or omission has occurred that is in violation of a law or regulation administered by Customs, and that retribution has been demanded therefore, in the form of a fine or forfeiture.

**PERMITTED MERCHANDISE:** Merchandise is permitted when Customs authorizes the carrier bringing the shipment to the port to make delivery to the consignee or the next carrier. (19CFR158.1)

**PETITION:** A formal, written supplication addressed to the Commissioner of Customs, seeking mitigation or discharge of a fine, penalty, or forfeiture incurred under any law administered by Customs (19CFR171). Also, a request for the district director to correct a clerical error, mistake of fact, or inadvertence in an entry within the legal time frames (19CFR173.4).

**PIP** – see Partners in Protection

**PORT OF ENTRY:** A port at which foreign goods are admitted into the receiving country.

**POWER OF ATTORNEY:** A Customs Form (CF5291) document which empowers one individual or entity to act on behalf of the issuer or principal, without limiting such actions to specifically designated Customs business, as opposed to a limited power of attorney granting restricted authority. (19CFR, Sec. 141.31-46).

**PRE-ARRIVAL PROCESSING SYSTEM (PAPS):** A U.S. Customs Automated Commercial System (ACS), border cargo-release mechanism that uses barcode technology to expedite commercial-shipment release while still processing each shipment through Border Cargo Selectivity (BCS) and the Automated Targeting System (ATS). Each PAPS shipment requires a unique barcode label, which the carrier attaches to the invoice and the truck manifest while the merchandise is in Canada. The barcode consists of the Standard Carrier Alpha Code (SCAC) and freight bill number. Transportation providers fax the information ahead of the shipment to the U.S. Customs broker, who prepares a BCS entry in ACS. When the truck arrives at the border, the Customs Inspector scans the barcode, which automatically retrieves the entry information from ACS. If the shipment doesn't require examination, the Inspector releases the truck from the primary booth, reducing the carrier's wait time and easing congestion at the border.

**PRE-ARRIVAL REVIEW SYSTEM (PARS):** A program that allows for release information to be processed before the arrival of Canada-bound goods at the border by the CBSA.

**PROTEST:** A protest is the legal means by which an importer, consignee or other designated party may challenge decisions made by a district director of Customs.

**QUOTA (absolute):** Quota which permits a limited number of units of specified merchandise to be entered for consumption during specific periods. (19CFR, Sec. 132.1)

**QUOTA (tariff rate):** Quota which permits a specified quantity of merchandise to be entered for consumption at a reduced duty rate during a specific period.

**REDELIVERY:** A demand by U.S. Customs via a CF 4647, after release, for the return of merchandise to Customs custody.

**SHIPPER'S EXPORT DECLARATION (SED):** A form required by the Treasury Department and completed by the shipper showing the value, weight, consignee, destination, etc. of export shipments as well as the Schedule B identification number.

**SIC CODE:** See "Standard industrial classification."

**SINGLE ENTRY BOND:** An application to the District Director requesting that a bond of a certain form and amount, that identifies the value and nature of the articles, be accepted as adequate surety for a single transaction.

**SPECIFIC DUTY:** Tax imposed on imported merchandise without regard to value. Usually based on net weight or number of pieces, etc.

**STANDARD INDUSTRIAL CLASSIFICATION:** The classification system developed by the United States Department of Commerce for business activities. There are eleven primary divisions classified by two digit codes. Further divisions occur within the primary categories and can reach up to seven digits for the most specialized categories of business activity. Also referred to as the SIC code.

**SUBMISSION:** The voluntary delivery to the appropriate Customs officer of the entry summary documentation for preliminary review or of entry documentation for other purposes. (19CFR141.0)

**SUFFERANCE WAREHOUSE (CDN):** Sufferance warehouses are privately owned and operated facilities licensed by the CBSA for the short-term storage and the examination of imported goods pending release from customs. Sufferance warehouse keepers charge user fees to their clients for storage and handling. Goods may stay in a sufferance warehouse for up to 40 days.

**SUSPENSION OF LIQUIDATION:** The delay in liquidation of entries affected by U.S. Customs, usually the result of an anti-dumping investigation, etc.

**SURETY:** An obligator on a surety bond. Specifically, an individual(s) or entity providing a guarantee for the payment of all government debts secured by a bond as evidenced by the surety's name and the authorized signature on the bond..

**T & E ENTRY:** Transportation and Exportation Entry. A Customs Form (CF7512) declaring goods which are entering the United States (e.g. from Canada) for the purpose of exportation through a U.S. port. Carriers and warehouses involved must be bonded.

**TARIFF:** A tax assessed by a government on goods as they enter (or leave) a country. May be imposed to protect domestic industry and/or to generate revenue. Types include ad valorem, specific, variable, or some combination.

**TARIFF SCHEDULE:** A comprehensive list of the goods which a country may import and the import duties applicable to each product.

**TEMPORARY IMPORT BOND (TIB):** Articles not imported for sale, admitted into the U.S. on a temporary basis without the payment of duty, under bond for their exportation. (19CFR, Sec. 10.31)

**T.I.B.:** See Temporary Importation Bond.

**TRANSFORMATION-SUBSTANTIAL:** A manufacturing process which results in a new and different article having a distinctive name, character, or use which is different from that originally possessed by the article or material before its subjection to the manufacturing process. (19CFR10.15)

**TRANSPORTATION IN BOND:** An entry of articles under the rules and regulations prescribed by the Secretary of the Treasury for transporting those articles in bond without appraisement to any other port of entry designated. (19CFR18.11)

**VALIDATED EXPORT LICENSE:** A document issued by the U.S. government authorizing the export of commodities for which written export authorization is required by law.

**VALUATION:** The appraisal of the worth of imported goods by Customs officials to determine the amount of duty due in the importing country.

**WAREHOUSE (bonded):** A place used for the storage and custody of imported merchandise that is subject to duty until duties are paid or the goods are reshipped without entry from the import country. Also a public warehouse covered by a surety bond.