

RP BUSINESS

GLOSSARY OF CUSTOMS TERMS

Customs has its own language and terminology that can sometimes seem a bit complicated. In this glossary we present some of the most common terms you will encounter on customs procedures.

**A****Ad Valorem**

Latin expression, "according to value". All fees and charges are calculated based on value; This term is likely to appear frequently.

C**CARNE ATA**

International Customs Document, issued in accordance with the terms of the ATA Convention and the Istanbul Convention and incorporating an internationally valid guarantee. The Carne ATA may be used as a replacement for national customs documents and as a guarantee for import duties and taxes. It covers temporary admission and transit of products. Carne-ATA can also be accepted in the control of temporary exportation and reimportation of products. However, in this case the international warranty does not apply.

CERTIFICATE OF ORIGIN

A document certifying where goods were originally made, often abbreviated as COO. A COO specific to a particular free trade agreement may be used to claim preferential duty treatment. A generic certificate of origin may be requested by the customs authority of the country of import, in which case the COO must be stamped by a chamber of commerce.

CONFISCATION OF GOODS

Means the Customs Administration's taking of goods that are evidence of customs offenses to be State assets in accordance with court decisions.

COMMERCIAL INVOICE

Invoice issued by a supplier after agreeing with the buyer the quantities and values of the products as well as the Incoterm definition.

CIF

Acronym used in some international sales contracts, when the sales price includes all "Costs, Insurance and Freight" for the products sold. The CIF value is the amount that will be submitted to customs for the calculation of taxes, VAT and customs duties.

CLASSIFICATION OF GOODS

All categories of goods that are exported and imported shall be declared according to the classification of each category of goods as specified in the Harmonized System Customs Tariff Nomenclature.

COUNTRY OF ORIGIN

The country of origin is a country where a product is extracted, produced or changed through production or processing processes, based on specified regulations in compliance with regulations on the application of the Customs Tariff Nomenclature and [regulations] on the determination of the content of the components or other regulations on trade.

CUSTOMS

Acronym used in some international sales contracts, when the sales price includes all "Costs, Insurance and Freight" for the products sold. The CIF value is the amount that will be submitted to customs for the calculation of taxes, VAT and customs duties. A customs authority, or customs for short, refers to the agency within a government that is responsible for collecting duties and enforcing import and export regulations.

CUSTOMS BROKER/ CUSTOMS CLEARANCE AGENT

Customs Broker is the professional with power granted by the exporter or importer, who is responsible for presenting to the Customs, the documentation established in the tax rules, concerning the customs clearance of import or export.

CUSTOMS DECLARATION

Any statement or action that provides information or details requested by Customs in any format prescribed or accepted by Customs.

The documents required for detailed customs declaration are as follows:

1. Detailed customs declaration;
2. Invoice;
3. Manifest;
4. Packaging list (if any);
5. Certificates of origin (if any); and
6. Export or import permit (if any).

CUSTOMS DUTY

A tariff or tax imposed on goods when transported across international borders. The purpose of Customs Duty is to protect each country's economy, residents, jobs, environment, etc., by controlling the flow of goods, especially restrictive and prohibited goods, into and out of the country

CUSTOMS FORMALITIES

Customs formalities are the formulated provisions to control the export, import, transit and movement of goods within a customs territory.

CUSTOMS OFFICER

A customs staff duly appointed to implement duties in the Customs Administration at each level or any specific tasks.

D

DUTIES CALCULATION

The calculation of Duties depends on the declared value of the shipment and the goods (cif value). For purposes of calculation, the due goods are given the classification code known as the Harmonized System code. This system was designed by the World Customs Organization and continues to develop.

DUTY DRAWBACK

1. Payment returned by re-exported cargo or trade fair material.
2. A customs refund for re-exported cargo.

E

EDI - Electronic Data Interchange

Electronic Data Transmission. Harmonized System International system published by the World Customs Organization, which specifies in a systematized form the products traded in international trade. Products are grouped into Sections, Chapters and Subchapters administered according to given rules. Trading Rules and Conditions.

H

HS CODE - HARMONIZED SYSTEM CODE

Global commodity classification system to be used by manufacturers, transporters, exporters, importers, customs to enable uniform classification of goods on the international market. The nomenclature is made up of six common commodity digital codes for all countries. Beyond the six digits, countries are free to enter other digits for tariff distinctions or statistical purposes.

I

IMPORT

Shipment of goods into a country. Opposite of export.

IMPORT LICENSE

A government-issued permit authorizing a party to import a good into the country.

INCOTERMS

Incoterms are universal trade terms published by the International Chamber of Commerce (ICC.) They consist of three-letter codes that are intended to clearly communicate the tasks, costs and risks associated with the transportation and delivery of goods in an international transaction. They describe how responsibility is allocated between the seller and the buyer for different parts of the transaction.

INTERTEK

Intertek is the appointed company by the Government of Mozambique as the sole provider of its pre-shipment inspection. (see PSI - Pre-Shipment Inspection)

J

JUE or SeW - Single Electronic Window

Single Electronic Window is basically an electronic platform customized to take account of the conditions pertaining in the Mozambique business environment and thru which is submitted all customs formalities.

L

LETTER OF COMMITMENT FOR BANKING INTERMEDIATION

It is a document issued in the JUE (SeW) system and approved by the intermediary bank of a goods / goods import operation to be presented to the customs authority. This document certifies that the importer is its client and is intermediating the import operation in question, as well as the importer makes an irrevocable commitment to send the relevant documents (import DU) to the same bank within the deadlines, defined for that purpose;

LETTER OF CREDIT - LC

Also called a documentary collection and often abbreviated as LC or L/C, a letter of credit is a written commitment by a bank issued after a request by an importer that payment will be made to an exporter provided that the terms of the letter of credit have been met as evidenced by the presentation of certain documents.

M

MANIFEST

A document that lists in detail all the bills of lading issued by a vessel or its agent or master, i.e., a detailed summary of the total cargoes or containers loaded in a vessel. Used principally for customs purposes. It is also called summary of Bills of Lading.

O

OTHER OBLIGATIONS

Mean various taxes and fees as specified in regulations, and the Budget Law for which the customs officers are authorized to collect such taxes and fees.

P

PHYTOSANITARY INSPECTION CERTIFICATE

Certificate issued by the health authorities of the Ministry of Agriculture for health regulations in exporting countries; indicates that the shipment has been inspected and is in good condition with no risk of disease or other infections or parasites.

PROHIBITED GOODS

Prohibited goods are goods that are defined in relevant laws and regulations, especially weapons, narcotics, psychotropic substances and hazardous chemical substances. It is prohibited to export, import, transit, move, purchase, sell and be in possession of prohibited goods.

PREPAID

Freight paid by the shipper to the carrier when merchandise is tendered for shipment. It is a non-refundable deposit even if the merchandise does not arrive at its intended destination.

PSI - Pre-Shipment Inspection

An inspection of contract goods prior to shipment so as to ascertain their quality, quantity, price and/or origin.

Commonly issued by neutral, internationally respected firms such as SGS or Bureau Veritas, Intertek), so that the importer is assured of receiving goods of quality/quantity specified in the sale contract. Government agencies may also require inspection certificates as regards price and origin, so as to prevent parties from under or over invoicing in an attempt to pay lower customs duties or evade foreign exchange restrictions.

R

RETENTION OF GOODS

Retention of goods means retaining goods temporarily at the premises of the accused suspect, and which such goods shall not be purchased, sold, transferred or pawned while waiting for a determination of proof or the results of legal proceedings.

S

SADC

The Southern African Development Community is an inter-governmental organization headquartered in Gaborone, Botswana. Its goal is to further socio-economic cooperation and integration as well as political and security cooperation among 16 southern African countries.

Members: ANGOLA, BOTSWANA, COMOROS, DEMOCRATIC REPUBLIC OF CONGO, ESWATINI, LESOTHO, MADAGASCAR, MALAWI, MAURITIUS, MOZAMBIQUE, NAMIBIA, SEYCHELLES, SOUTH AFRICA, UNITED REPUBLIC OF TANZANIA, ZAMBIA and ZIMBABWE.

SHIPPER

In the context of international trade, shipper is a term typically used to identify the company selling the goods to a foreign market. The shipper may also be called the exporter or consignor in this case.

SEIZURE OF GOODS

Means withholding the goods temporarily while waiting for the results of legal proceedings.