

TOOLKIT

# International Trading Glossary

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Chambers Wales are proud to represent and help businesses grow throughout the counties of Blaenau Gwent, Bridgend, Caerphilly, Cardiff, Carmarthenshire, Ceredigion, Neath Port Talbot, Merthyr Tydfil, Newport, Monmouthshire, Pembrokeshire, Powys, Rhondda Cynon Taff, Swansea, Torfaen and Vale of Glamorgan.

WORD/TERM	DEFINITION
AEO (Authorised Economic Operator Status)	Traders can apply for AEO status for moving goods between the UK and the EU. AEO status is an internationally recognised quality mark that shows a business's role in the international supply chain is secure and has customs control procedures that meet UK and EU standards.
ATA Carnet	A goods "passport" allowing temporary exit from the UK, often used for exhibitions and specialist machinery.
ATR	HMRC Movement document for Turkey, this has now been superseded by an invoice declaration to give the importer preferential tariffs.
BCP (Border Control Post)	Inspection post designated and approved in line with EU legislation for carrying out checks on animals and animal products arriving from third countries at a European Union border. These checks are carried out to protect animals, public health and animal's welfare.
CCG (Customs Comprehensive Guarantee)	A customs decision introduced under the UCC (union customs code) to debt that may be incurred over two or more operations, declarations or customs procedures for debt that has been incurred. This means that any trader who has two or more declarations may apply for a comprehensive guarantee and the reductions or waivers that may follow.
CDS (Customs declaration system)	New declaration system to be used from Jan 2021 with goods going between the UK and Northern Ireland.
Certificate of Origin	Document used to verify where the goods have been made or manufactured. This could be for legal, financial reasons or purely a country requirement.
CFSP (Customs Freight Simplified Procedures)	If the importer wants to defer payments, they will need to submit a simplified procedure. To do this they will need access to an authorisation for simplified declarations and a DDA. HMRC expects most importers to use an intermediary.
CHIEF (Customs Handling of Import Export Freight)	Import & export declaration system, from Jan 2021 all goods imported or exported with EU will be entered onto the system.

WORD/TERM	DEFINITION
CITES (Convention on International Trade in Endangered Species)	The Convention on International Trade in Endangered Species of Wild Fauna and Flora) is an international agreement between governments. Its aim is to ensure that international trade in specimens of wild animals and plants does not threaten their survival.
Classification of goods	Each product has its own HS or commodity code, the correct Classification of Goods is important to make sure you are paying the correct tariff or VAT amounts whilst importing or exporting.
Commodity codes	Export & Import products each have their own commodity code, these are used to regulate the amount of tariff duty, quotas & VAT applicable
CPTPP	A free trade agreement between 11 countries around the Pacific Rim: Canada, Mexico, Peru, Chile, New Zealand, Australia, Brunei, Singapore, Malaysia, Vietnam and Japan. UK is taking steps for the UK to Join building on the successful FTA with Japan.
CSPs (Community System Providers)	Commercial entities that directly interface with HMRC frontier systems including Customs Handling Import & Export Freight (CHIEF).
CTC (Common Transit Convention)	The Convention on Common Transit is a treaty between the countries of the European Union and several other countries for common procedures for international transit of goods which reduces a lot of the paperwork you would normally need to move goods across international borders.
DDA (Duty Deferment account)	Duty deferment account with a DAN (Deferment Account Number) set up with HMRC to pay excise duty or VAT on a monthly direct debt instruction instead of per consignment.
EIDR (Entry in Declarant's records) & SFD (Simplified Frontier Declarations)	EIDR means you can bypass the full or simplified customs requirement for standard goods by making an import declaration in your own commercial records.
EHC (Export Health Certificate)	An Export Health Certificate or EHC is a document that confirms that certain information, health standards and regulations have been met. This may be needed if your product has animal origin. In line with rules for live animals. imports of fish as live animals will be subject to new. Import controls from January 2021.

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EMCS (Excise Movement and Control System)	Excise goods will be able to be exported under duty suspension as they will be under RoW export rules. To do so they will need to move to the port on the EMCS.
EORI & GB EORI (Economic operator registration identification number)	EORI is a European Union registration and identification number for businesses that want to import or export goods into or out of the EU. Once you have an EORI number, this number will be valid in all other EU member states. All companies looking to trade with EU from Jan 1st, 2021, will need a GB EORI number
EUR1	HMRC document giving preferential rates of tariffs to importers where the UK has a trade or continuity trade agreement, such as Mexico, Norway, Switzerland & others.
Export Health Certificate	Export Health Certificates (EHC) are often required for exporting animal or animal product or plants. Issued by the Animal Plant Health Agency (APHA)
FPOs (Fast Parcel Operators)	Freight forwarders, or brokers that help businesses meet their requirements, can as a customs intermediary.
Formal Undertaking	A list of approved company signatories that has been certified by a director, to sign export documents on behalf of that company.
Freeport	<p>Freeports are usually located around shipping ports, or airports. Goods that arrive at freeports from abroad are exempt from tariffs. Tariff taxes are only paid if the goods leave the freeport and are moved elsewhere in the UK. Otherwise, they are sent overseas without the charges being paid. Eight new Freeports were announced in the March 2021 budget in England. A Welsh Freeport policy is yet to be announced. The Freeports are:</p> <ul style="list-style-type: none"> <li>• East Midlands Airport</li> <li>• Felixstowe and Harwich</li> <li>• Humber region</li> <li>• Liverpool City Region</li> <li>• Plymouth</li> <li>• Solent</li> <li>• Thames</li> <li>• Teesside</li> </ul>

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FTA	Free Trade Agreement - relating to countries that UK has a trade agreement with reciprocal tariff free trade.
GVMS (Goods Vehicle movement Service)	<p>The Goods Vehicle Movement Service (GVMS) is a government border control information technology system for coordinating the movement of vehicles. The new IT system by July 2021 will allow the UK to:</p> <ul style="list-style-type: none"> <li>• Enable declaration references to be linked together so that the person moving the goods (e.g. the haulier) only has to present one single reference (Goods Movement Reference or GMR) at the frontier to prove that their goods have pre-logged all the necessary declarations.</li> <li>• Allow the linking of the movement of the goods to declarations, enabling the automatic arrival / departure (where applicable) of goods in HMRC systems so that goods boarding on the EU side can be processed en route.</li> <li>• Automate the Office of Transit function, marking the entry of goods into the UK customs territory. Allow notification of the risking outcome of declarations (i.e. cleared or uncleared) in HMRC systems to be sent to the person in control of the goods by the time they physically arrive in the UK, so that they know where they need to proceed.</li> </ul>
HRFNAO (High-risk food and feed non animal origin)	Plants/ Plant products
HS code	HS meaning Harmonised System which relates to a global use of a commodity codes that are uniform throughout the world.
IDP (International Driver permit)	IDP (international Driver Permit) is an international Driving License. Hauliers will need to apply, if they do not already hold an IDP to drive in the EU
Incoterms	Incoterms define the obligations between the buyer and seller. They apportion the task, cost & risk during transport from one to the other.

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International Import Certificate	This is normally used to support a shipment where there is an existing Export License. This could be used for goods of military use.
Invoice declaration	Invoice declarations as to origin are now needed normally where the UK has an existing trade deal. The declaration verifies the origin of the goods as the UK, this gives the importer preferential import duties. Some examples are the EU, Japan & Turkey.
IPAFFS (import of Products, animals, food and feed system)	The system for imports of live animals, animal products and high-risk food. The GB importer will also need to submit a notification via the Import of Products, Animals, Food and Feed System (IPAFFS) in advance of the goods' arrival.
Legalised	Legalisation is a process where the Embassy of a country certifies goods for export before they are sent to that country.
Letters of credit	Letters of Credit are interbank agreements arranged between the buyer & seller for payment, based upon agreed criteria.
Long Term Supplier	Supplier declarations are where your UK supplier provides you with information needed to prove the origin of your goods for preferential rates of duty between the UK and other countries.
Movement Certificate	Commonly referred to as the EUR1, HMRC document that give preferential tariffs to countries where the UK has a trade agreement.
MRNs (Movement Reference Numbers)	Hauliers will be required to submit their Transit Movement Reference Numbers and Vehicle/trailer registrations via the GVMS before checking in at the port of Departure.
Notary	A Notary can normally be carried out by a local Notary Solicitor, to verify the authentication of a document.
POAO (Products of animal origin)	All products of animal origin for example meat, honey, milk or egg products – and all regulated plants and plant products will require pre-notification and the relevant health documentation.
Preference	Special advantages extended by importing countries to exports from trading partner countries, usually by admitting their goods at tariff rates below those imposed on imports from other supplying countries.

WORD/TERM	DEFINITION
Quota	A limited quantity or weight of goods allowed into a country or trading bloc over a set period. Once this has been reached then a tariff may be chargeable. (e.g. Steel into EU may have a tariff of 25% once the quota has been exceeded).
REX	This is the Registered Exporter System, which is mainly used by countries in the EU, it is the equivalent of the EORI number used in the UK.
RMG (Royal Mail Group)	Customs declarations for the movement of goods by post and parcel between the UK and the EU now follow the same requirements as between GB and RoW countries.
RoRo (Roll on Roll off) ports	RoRo ports are used to ship cars and any other mobile vehicles. UK RoRo Ports Felixstowe, Liverpool. Tilbury, Southampton, Sheerness
RoW (Rest of world)	Currently all countries outside of the EU and Member states or negotiated trade deals under EU.
Rules of origin	Guidelines governing the country origin of products, based upon whether they have been home produced or manufactured in that country.
SPS (sanitary and phytosanitary) controls	Measures to protect humans, animals, and plants from diseases, pests, or contaminants. Goods will need to be presented to BCPs for physical checks and samples.
SFD (Simplified Frontier Declarations) & EIDR (Entry in Declarant's records)	Both options for simplified declarations for imports.
T1	Transit document allowing vehicles to travel through various countries without paying duty. A deposit is normally required before transit.
TAD (Transit Accompanying Document)	When transit movements arrive in the UK, the goods and the Transit Accompanying Document (TAD) must be presented at an office of transit.
Taric	Same as an HS or commodity code but contains two more digits that relate to quotas, anti-dumping duty etc. Used mainly by the EU.

WORD/TERM	DEFINITION
Tariff	The amount of direct taxation on a product exported and imported between two countries or trading bloc.
TCA	Trade Co-operation agreement is the 1246-page long trade agreement that the UK now has with the EU. A summary can be found on the Chambers Wales resources page.
Traces (TNT)	TRACES NT (TNT) is the European Commission's digital certification and management platform for all sanitary and phytosanitary requirements, supporting the importation of animals, animal products, food and feed of non-animal origin and plants into the European Union.
TRQs (Tariff rate quotas)	Tariff rate quotas (TRQs) allow a pre-determined quantity of a product to be imported at lower import duty rates (in-quota duty) than the duty rate normally available for that product. This is important for goods under license and early declarations are advisable, as will have a great chance of success.
UKWTR (UK wildlife Trade Regulations)	Species covered by CITES are listed in the UK under one of four appendices to the applicable regulations, according to the degree of protection that each species needs.
Wet stamp	The "wet stamp" is a physical stamping of a document rather than an electronic equivalent. These are quite often required by countries in the Middle East but can be requested by any other country.