

WCO

Green Customs Global Conference

Trade in remanufactured goods at the border

PANEL Discussion 2 : IBM : Cross-border movement of waste: case studies
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IBM Government and
Regulatory Affairs

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IBM

- IBM is an Enterprise IT company that ships Mainframe Systems. Shipments contain server machines, storage units and spare parts.
- IBM ships hardware to over 170 countries. Several countries that IBM ships to prohibit and /or restrict the importation of used and remanufactured goods.
- IBM has a **remanufacturing program** which uses certified vendors to perform a remanufacturing process to restore spare parts to **reliable and functioning parts with full warranty**.
- Reasons for IBM to use remanufactured parts include:
 - **Cost and supply**
 - **Sustainability** – reuse technology components and reduce the consumption of natural resources – **reduce waste**
 - Utilize remanufactured component parts and **lengthen the lifespan of installed ICT systems**, such as mainframes and storage units that are in operation for many years with customers (e.g. Government Agencies, Banks, Insurance Companies, Airlines etc..) globally



Importing into countries with restrictions

- Regulations governing used / remanufactured goods may fall under a country's trade policy, consumer protection or environmental laws and not necessarily its customs regulations. Customs may however act as the enforcement agency at the border.
 - There may not be clear guidance to differentiate remanufactured goods and used goods which can result in high inspection and inquiry rates for remanufactured goods.
 - General lack of clarity for government agencies to determine the difference between used and remanufactured goods.
 - Import restrictions can be due to domestic pressures and perceived damage to local industry.
 - Permit and licensing process is lengthy and inefficient in some countries, and this ultimately impacts our customers.



Key challenges

1. Countries with restrictions control the importation of **remanufactured** ICT parts with the same requirements as **used** ICT parts even though IBM remanufactured ICT parts have certified form, fit and function including warranty. ^{*}(ICT =Information and Communications Technology)

Proposals for improvement are:

- i. to have a **global standard for the definition of “remanufactured”** ICT parts
 - ii. consultation with the regulatory government agencies in country to create a more efficient way to trade remanufactured goods
 - iii. to implement more efficient and effective rules to permit targeted importation of remanufactured ICT component parts
 - iv. these policies would support **sustainable** “remanufacturing” which in turn enable a true **circular economy**
2. Countries with restrictions can have unique requirements to import which can be one or more of the following: a license, invoice annotation, part of the customs declaration, technical product reports, tariff codes etc....

Proposal for improvement is:

- i. a **standardised global criteria** to import these goods would benefit importers, sources of supply and government enforcement agencies



Thank you

Merci

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