



The Global Express Association represents the three leading express delivery carriers: DHL Express, FedEx and UPS.

Efficient and Compliant Low Value Shipment Clearance: A Proposal by the Global Express Association

Background

Governments worldwide are increasingly concerned about the many challenges posed by ever-growing volumes of low-value imports. While this growth is often associated with e-commerce, many low-value imports are not the product of e-commerce or business-to-consumer transactions. A significant portion relates to business-to-business replenishment flows, repairs, spare parts movements, and cross-border supply chain support shipments that can fall below duty thresholds but are essential for business continuity.

Chief among government concerns are compliance and revenue collection issues linked to the also growing presence of unsophisticated or, in some cases, untrustworthy traders. In parallel, authorities are facing acute pressure to stem illicit goods entering their customs territory-- including narcotics, unsafe or non-compliant consumer products, and counterfeit items --and address potential revenue leakage and claims from local retailers regarding differences in taxation. These issues dominate discussions at the World Customs Organization and national levels and drive the current, if sometimes misplaced, political momentum to review *de minimis* thresholds globally. A lack of adequate procedures and constraints in technical, human and financial resources adds to the difficulties that authorities face in these regards.

For their part, legitimate traders face problems, too. One is increased complexity and processing costs across the entire customs clearance spectrum, especially with several major economies now removing their *de minimis* regimes. New tariff regimes require classification and often difficult rules-of-origin determinations. These can be resource-



intensive and require expertise to parse through. Such determinations depend, on the one hand, on published, clear and reliable rules of origin and, on the other hand, on information supplied by numerous supply chain participants. This information may or may not be accurate and complete. In addition, new data requirements, customs processing charges, handling fees, etc. further increase the time and cost of clearance.

The global shift toward “one responsible data party”, often interpreted as the importer or exporter of record, creates further expectations for supply chain actors to provide validated, high-quality data from the source (e.g. product details, shipper, seller, manufacturer, etc.). This trend will intensify as governments move toward data ecosystems and centralized data platforms, such as the EU’s 2028 Customs Data Hub.

Yet, regulating with one broad brush – that is, treating compliant traders with proven track records the same as non-compliant ones – has perverse effects. It removes any incentives for traders to invest in compliance. Carriers that are at the forefront of compliance, such as our members (see Annex 2), do not always get recognition for their investments, training and corporate culture. In theory at least, Authorized Economic Operator (AEO) programs should reward compliance with additional facilitation. This lack of differentiation also affects Customs. It limits their ability to concentrate enforcement efforts on the genuinely high-risk traders who rely on opaque sales models, fragmented vendor ecosystems, and inconsistent data.

‘De minimis’ thresholds are often blamed for many of these problems. They are incorrectly seen as a ‘loophole’ that can be exploited by those seeking to circumvent customs and fiscal regulations. It is tempting to think that doing away with them will also eliminate these problems. It sounds simple, but it is not necessarily right.

‘De minimis’ thresholds need not be a loophole. For one, with adequate advanced electronic information and risk management tools, authorities can target illicit shipments effectively -- regardless of their value. There are examples of countries that have recently revised their de minimis thresholds upwards, or ‘bifurcated’ them to distinguish between the payment of duties (which remains exempted) and taxes (no longer exempted). See Annex 3.



Low Value, Dutiable and/or Taxable Goods

Be as it may, with or without ‘de minimis’ thresholds, trade in the form of small, low-value shipments will continue in very large volumes. Where ‘de minimis’ is the only simplified procedure available, its elimination will lead to a significant increase in formal entries. This will strain existing border procedures and systems, which may not be adapted to handle such extra volumes.

Consequently, low-value shipments handled by compliant traders will require dedicated, simplified, efficient and cost-effective procedures. Without them, authorities risk substantial slowdowns, increased administrative burdens, congested warehouses, bottlenecks, and higher carbon emissions from re-handling. These consequences ultimately undermine economic competitiveness, penalize SMEs, and divert enforcement resources away from the flows that truly require intervention.

Countries such as Canada, as well as those implementing EU ICS2 processes, have demonstrated that a simplified treatment for low-value goods remains essential even when risk controls are strengthened. Such procedures should allow authorities to carry out their duties effectively and efficiently, including risk targeting and revenue collection. And they should allow compliant traders to deliver their legitimate shipments without unnecessary complexity at the border.

Fortunately, several international agreements provide very good guidance in this area.

The World Trade Organization’s Agreement on Trade Facilitation (TFA) recognizes ‘expedited shipments’ as a special category. Article 7.8 of the TFA lists a series of compliance indicators that carriers can meet. In return, those who meet them are rewarded with several facilitative measures at the border.

The World Customs Organization’s Immediate Release Guidelines list four categories of imports, each associated with specific data sets and document requirements for their release, from a very simple declaration to a full one.

- Category 1: Documents
- Category 2: Low-value non-dutiable and/or non-taxable goods (*de minimis*)
- **Category 3: Low-value dutiable (taxable) goods**
- Category 4: High value dutiable goods (formal entry)



In addition to the TFA, the rules for WCO Category 3 could be a good foundation for the establishment of a simplified but efficient import procedure for low-value, dutiable (and/or taxable) shipments. This could go beyond mere fiscal considerations and incorporate tools to address other concerns, such as general compliance with other import regulations, safety standards, etc. Based on international best practice, such a **simplified entry procedure for low-value shipments** should be made up of **several building blocks** outlined in **Annex 1**. These include risk-based segmentation, digital pre-arrival data, fiscal collection mechanisms suited for high-volume/low-value goods, and recognition of compliant operators to reduce friction for low-risk flows.

GEA and its members are ready to work with Customs authorities on a joint roadmap to implement a digital, risk-based clearance system for low-value shipment that balances trade facilitation, compliance, and sustainability.

Geneva, December 2025



ANNEX 1

FEATURES OF A SIMPLIFIED ENTRY PROCESS FOR LOW VALUE DUTIABLE SHIPMENTS

Based on the WCO Immediate Release Guidelines for Category 3 Shipments
and other international best practice

- **Establish, maintain and regularly review a threshold for informal entry/simplified declaration** for category 3, e.g. 1,000 SDR (1,400 USD) as per WCO Immediate Release Guidelines.
- **Open only to operators with a strong compliance and security record**, e.g. operators complying with Art. 7.8 TFA or operators with AEO and regulated agent status.
- The application of a de minimis threshold, as per WCO Category 2, depends on national revenue and policy objectives.
- **No differential clearance treatment of B2C and B2B shipments.**
- **Closer partnership with compliant operators (including carriers) to share information on repeat offenders** to support operator`s own risk assessment for preventing illicit shipments entering their supply chains.
- Customs entry/declaration **without need for Customs broker intervention** or the mandatory use of a third-party Customs broker for clearance.
- Acceptance of **AI-assisted Customs entry/declaration**, e.g. HS classification
- **Simplified duty/tax calculation and collection** for low-value shipments (category 3); e.g. flat-rate or duty-rate ‘buckets’, collected either by the overseas vendor (vendor-collect model) or by an intermediary and remitted periodically.
- Final assessment of duties and taxes upon release by customs (US: immediate liquidation).



- **Reduced or waived bond/guarantee requirements** reflecting the high compliance level.
- **Pre-arrival paperless processing**, that is:
 - Reduced data set and documentary requirements for Category 3 as per WCO Immediate Release Guidelines, including reduced requirements for other government agencies;
 - Advance electronic data (HAWB) submission for processing prior to arrival;
 - System-based risk assessment by Customs and other authorities prior to arrival;
 - Paperless processing: digital documents or scan copies, submissions only on risk-based request;
 - Simplified power of attorney arrangements, if necessary;
 - Separation of release from clearance with a possible supplementary declaration after release for category 3 and 4;
 - Release on arrival for all low risk assessed shipments.
- **Border authorities stationed in operator's dedicated facilities** to enhance cooperation and expedite the selection of high-risk shipments for inspection and examination.
- **Consolidated clearance** (on express manifest or reduced data set) for category 1 and 2, and where possible also category 3.
- **Periodic electronic payment in batches** (e.g., monthly) **for duties and/or taxes.**
- An account-based process for **return shipments** and the possibility for immediate liquidation of **rejected or abandoned shipments.**
- Structured mechanism for validating data at source (e.g. from marketplaces or vendors) without shifting the importer role to express operators.



ANNEX 2

EXPRESS CARRIERS PROVIDE THE HIGHEST POSSIBLE LEVELS OF COMPLIANCE

Express delivery carriers have compliance at the core of their business model, as it is essential to keep their business promise of fast, reliable, time-definite delivery across borders. To that end, their internal programs are built on the following elements:

- **Security and Compliance:** Express delivery companies apply high security and compliance standards, such as those listed in article 7.8 of the WTO's Trade Facilitation Agreement, and obtain Regulated Agent and AEO certification where available.
- **Advance electronic shipment information:** Allows Customs/Border Agencies to perform risk assessment and target shipments for further examination.
- **Transparency and control:** Express delivery companies maintain full visibility and custody of shipments throughout the end-to-end supply chain from pick-up to delivery.
- **Track and Trace:** Parcels identified by Customs as suspicious can be removed from traffic flows and handed to Customs officers for further examination.
- **Facilities:** In some countries, express delivery companies provide Customs with adequate infrastructure at their facilities. Customs officers work side-by-side with express operators so they can examine suspect shipments efficiently.
- **Information on shippers and consignees:** Express delivery companies provide Gov't agencies with available relevant information that may legally be disclosed on shippers and consignees of shipments identified as containing offending goods.
- Close and block accounts of **repeat offenders identified by authorities**, preventing further attempts to misuse legitimate express channels.
- Ability to identify repeat offenders across global networks and proactively share intelligence with authorities to stop illicit flows upstream.
- Unlike fragmented marketplace-driven ecosystems, express networks operate closed, controlled systems with uniform security standards, verified shipper relationships, and complete chain-of-custody visibility.



ANNEX 3

EXAMPLES OF RECENT LOW VALUE SHIPMENT REGIMES

- [Australia](#): Maintains AUD 1,000 duty de minimis with GST collected from overseas e-commerce vendors.
- [New Zealand](#) and [Singapore](#) run similar models.
- [Chile](#): Registered e-commerce platforms that collect VAT, benefits from duty-exempt de minimis USD 500
- [Canada](#): The Courier Low Value Shipment Program (CLVS) allows periodic, consolidated declarations for shipments up to CAD 3,300.- limited to trusted operators (AEO/PIP), resulting in higher compliance and efficiency gains.