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## Cross-border trade of second-hand goods

*Commerce frontalier des produits de seconde main*



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## Foreword

ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies (ISO member bodies). The work of preparing International Standards is normally carried out through ISO technical committees. Each member body interested in a subject for which a technical committee has been established has the right to be represented on that committee. International organizations, governmental and non-governmental, in liaison with ISO, also take part in the work. ISO collaborates closely with the International Electrotechnical Commission (IEC) on all matters of electrotechnical standardization.

The procedures used to develop this document and those intended for its further maintenance are described in the ISO/IEC Directives, Part 1. In particular the different approval criteria needed for the different types of ISO documents should be noted. This document was drafted in accordance with the editorial rules of the ISO/IEC Directives, Part 2. [www.iso.org/directives](http://www.iso.org/directives)

Attention is drawn to the possibility that some of the elements of this document may be the subject of patent rights. ISO shall not be held responsible for identifying any or all such patent rights. Details of any patent rights identified during the development of the document will be in the Introduction and/or on the ISO list of patent declarations received. [www.iso.org/patents](http://www.iso.org/patents)

Any trade name used in this document is information given for the convenience of users and does not constitute an endorsement.

For an explanation on the meaning of ISO specific terms and expressions related to conformity assessment, as well as information about ISO's adherence to the WTO principles in the Technical Barriers to Trade (TBT), see the following URL: [Foreword - Supplementary information](#)

The committee responsible for this document is ISO/PC 245, *Cross-border Trade of Second-hand Goods*.

For the purposes of research on cross-border trade of second-hand goods standards, users are encouraged to share their views on ISO 20245:2014 and their priorities for changes to future editions of the document. Click on the link below to take part in the online survey:

[ISO 20245 online survey](#)

## Introduction

The cross-border movement of second-hand goods (SHG) has been in practice for many years and trade activity has increased exponentially. Most second-hand goods are sold or donated by developed countries to developing ones and the value of this market is estimated at billions of dollars. Consumers welcome having the choice of purchasing low cost, durable, and safe SHG as an alternative to higher priced new goods, and the demand for these products is robust. In addition, the re-use of consumer goods is viewed as a factor in good environmental stewardship because it is more resource efficient than manufacturing new items and diverts goods that might otherwise go to landfills and other disposal facilities.

It is generally understood that the expectations of consumers of SHG will be somewhat lower than if they were purchasing new goods, and that they have the normal consumer obligations to physically examine the product and enquire about safety and environmental issues. Nonetheless, dangerous or environmentally damaging SHG can find their way into the market leading to serious health and safety risks and waste management problems for the importing country.

While there are national standards, laws and guidelines designed to protect consumer health and safety and the environment in some countries, surveys of ISO's Consumer Policy Committee (COPOLCO) and Developing Countries Committee (DEVCO) members, as well as several ISO and IEC Technical Committees between 2002 and 2005 revealed significant concerns about trade in SHG. There was a consensus among those surveyed that, given concerns expressed about SHG and health, safety, environmental performance, servicing and repair, and given the apparent lack of universally applicable guidelines, there was adequate justification to recommend the development of an international standard.

This Technical Specification is an attempt to respond to the above concerns by providing a basis for in transit and port of entry screening of SHG. It establishes measurable criteria against which SHG can be evaluated with the objective of protecting consumers and the environment. The Technical Specification may be used by the importing or exporting parties or governments as a means to establish confidence in the goods that are being traded or donated.

It is recommended that this Technical Specification be read in conjunction with other standards that may impact the trade of consumer products as it relates to health, safety and environment. Three key ISO standards to reference in this area are:

- ISO 10377, *Consumer Product Safety — Guidelines for suppliers*
- ISO 10393, *Consumer product recall — Guidelines for suppliers*
- ISO 12931, *Performance criteria for authentication solutions used to combat counterfeiting of material goods*

While following the guidance provided by this and other standards above is voluntary, suppliers must always maintain an awareness of, and comply with, the legislation and regulations pertaining to the exportation and importation of consumer products.



# Cross-border trade of second-hand goods

## 1 Scope

This Technical Specification establishes minimum screening criteria for SHG that are traded, sold, offered for sale, donated, or exchanged between countries.

The intention of this Technical Specification is to protect consumers' health, safety and the environment in which they interact, when using second-hand goods.

The Technical Specification is applicable to second-hand goods that are shipped across at least one international border, and where the intended end user is a consumer.

This Technical Specification does not apply to goods that are remanufactured, rebuilt or refurbished.

## 2 Normative References

The following documents, in whole or in part, are normatively referenced in this document and are indispensable for its application. For dated references, only the edition cited applies. For undated references, the latest edition of the referenced document (including any amendments) applies.

ISO/IEC Guide 2, *Standardization and related activities — General vocabulary*

ISO/IEC 17020, *Conformity assessment — Requirements for the operation of various types of bodies performing inspection*

ISO/IEC 17025, *General requirements for the competence of testing and calibration laboratories*

ISO/IEC 17050 (all parts), *Conformity assessment — Supplier's declaration of conformity*

ISO/IEC 17065, *Conformity assessment — Requirements for bodies certifying products, processes and services*

ISO/IEC 17067, *Conformity assessment — Fundamentals of product certification and guidelines for product certification schemes*

ISO 31000, *Risk Management — Principles and guidelines*

*Building Trust — The Conformity Assessment Toolbox*

## 3 Terms and definitions

For the purposes of this document, the terms and definitions given in ISO/IEC Guide 2 and the following apply.

### 3.1

#### **consumer**

individual member of the general public purchasing or using property, products or services for private purposes

[SOURCE: ISO 26000:2010]

**3.2**

**consumer product**

product designed and manufactured primarily for, but not limited to, personal use, including its components, parts, accessories, instructions and packaging

Note 1 to entry: Individual countries may establish different specific definitions in law.

[SOURCE: ISO 10377:2013]

**3.3**

**import and export**

in their respective connotations, the movement of goods from one party to another party

[SOURCE: Adapted from Rotterdam Convention]

**3.4**

**receiver**

entity to which goods are consigned

[SOURCE: Adapted from ISO 17687:2007]

**3.5**

**Second-Hand Goods**

**SHG**

second-hand goods are those goods that have been in service and are re-entering a market for sale or use by a second or later end user

Note 1 to entry: For the purpose of this Technical Specification, products that are rebuilt, refurbished or remanufactured within the context of the WTO concept paper are not considered to be a second hand good.

**3.6**

**supplier**

entity (e.g. manufacturer, seller, donator) that provides products or services to satisfy the receiver's requirements

[SOURCE: Adapted from ISO 11161:2007 and ISO 16431:2012]

**3.7**

**value**

regard that something is held to deserve; importance or worth

[SOURCE: Oxford English Dictionary]

**4 Symbols (and abbreviated terms)**

Reserved

**5 Basic Principles**

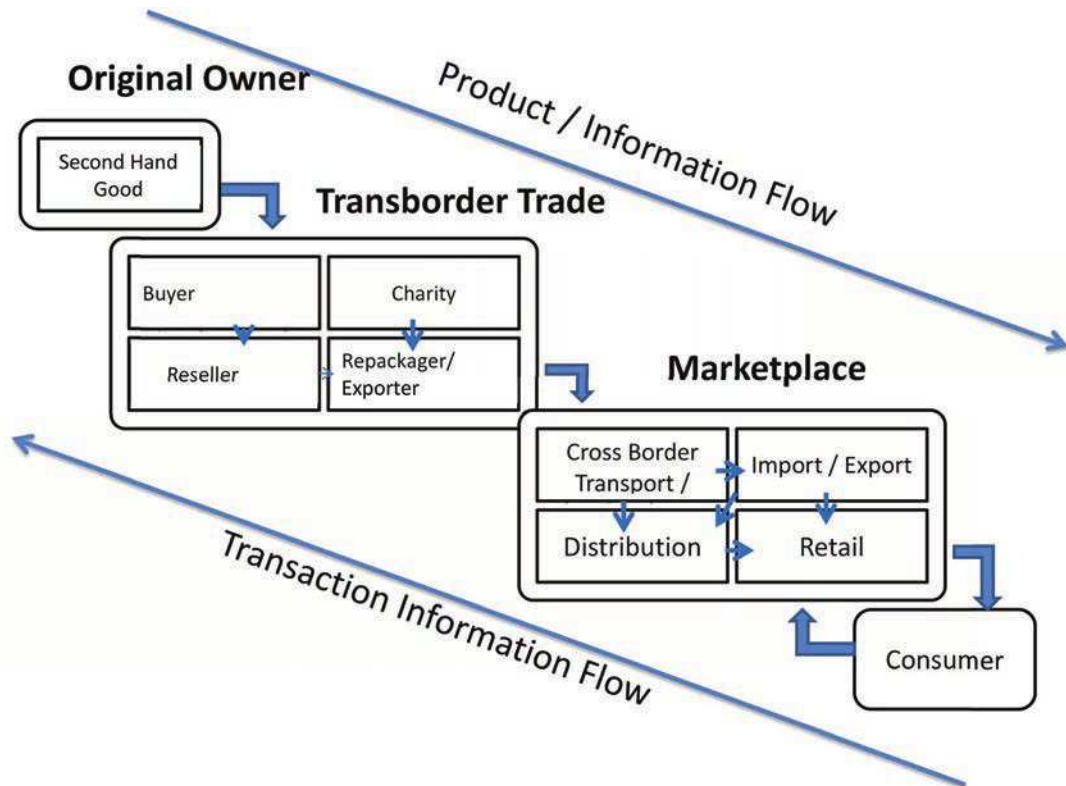
Second-hand goods should pose no health, safety or environmental risks beyond those risks generally permitted for new goods.

The quality, durability, and usability of second-hand goods should meet the expectations of a reasonable consumer who has full knowledge that the goods are in second-hand condition.

Second-hand goods should be in such a condition that they do not create an immediate waste management problem or must be disposed of after only minimal use.

Figure 1 illustrates the typical cross border trade and movement of second hand goods from the original owner to the supplier who then transfers the goods to the receiver marketplace in another country.





NOTE 1 Often Second Hand Goods are processed different ways in Cross Border Trade. For example in the trade of used clothing goods are collected in some countries, send to another country for processing and then on shipped to other countries.

NOTE 2 Second Hand Goods may be traded by the same organization or may move from organization to organization

NOTE 3 Product/Information Flow refers to the overall content of the trade going from the original owner to the end market.

NOTE 4 Transaction Information Flow refers to contracts, bills of sale, agreements and payments that flow from the importer/buyer back to the exporter/vendor. There may be multiple parties in this flow.

**Figure 1 — Second hand diagram**

## 6 Second-hand goods — Evaluation Requirements

### 6.1 General factors to be considered by suppliers or recipients of second hand goods

Prior to acceptance of second hand goods suppliers or recipients should confirm that the product supplied or ordered meets acceptance criteria. The acceptance criteria should specify the requirements for:

#### 6.1.1 Safety such as:

- a) product instructions and warnings;
- b) compliance with mandatory safety regulations and standards of the country of export and import;
- c) product life expectancy or expiry date of product;
- d) instructions for assembly, maintenance and post-use disposal;

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- e) model name/number and additional traceability information; and
- f) geographical address and identity of the manufacturer/supplier/trader.

### 6.1.2 Quality:

- a) confirmation of verification that the goods meet the conditions for acceptance by the receiver;
- b) the description of the goods needs to be in writing, and match the condition of the goods supplied or ordered; and
- c) the goods must be fit for all the purposes for which they are normally supplied.

### 6.1.3 Product Information:

- a) information about the product in the language of the country where it will be sold;
- b) features, functions, or characteristics of the product;
- c) instructions for assembly, maintenance and post-use disposal;
- d) model name/number as well as additional traceability information; and
- e) geographical address and identity of the manufacturer/supplier/trader.

### 6.1.4 Usage Requirements:

- a) the marketplaces where the product will be sold;
- b) climatic conditions;
- c) safety instructions, warnings and manuals in the language of the country where product imported and sold;
- d) Compliance with regulations and legislation other than safety that deal with the environment, packaging, labelling of origin, etc.
- e) The environment, such as an industrial facility, office, nursery, and residential home, where the product would be used; environment where the product cannot be used; and
- f) The users of the product including age range, experience with product, industrial worker, consumer, and capability; and transportation to market and storage;

## 7 Determination of Compliance

Conditions with the acceptance criteria can be verified by such means as outlined below.

- Obtaining data from the supplier with respect to the extent that the product meets specifications, the applicable laws and standards and how the compliance was determined. Confirmation could take the form of test results generated by internal facilities or independent laboratories, certification results from third party certification bodies or, where required, a health certificate from a recognized institution in the country of origin.
- Writing specific contracts that include the acceptance criteria - safety, quality the applicable regulatory compliance requirements for where the products are intended to be manufactured, sold and used and permissible number and type of defects. For example, not accepting undergarments in used clothing bales or bales that have not been fumigated.
- Contracts should also give the supplier or receiver the right to verify, require proof of compliance, and hold the other members of the supply chain accountable for correction of non-compliant products.

- Reviewing the compliance history of the supplier of the product and the product's history of reported incidents, recalls, lawsuits and consumer complaints.
- Evaluating through inspection. An alternative or complement to product testing is product inspection, where the product is visually inspected prior to shipment or import acceptance to ensure the acceptance criteria are being met, and specified documentation safety and health certification has been completed.
- Auditing of documentation provided by the supplier of the product can be used as a complement to or as an alternative to testing or inspecting. The documentation supplied should present evidence that demonstrates conformance of the product to the requirements. This would include test reports, inspection reports and certification documentation.

It is recommended that conditions of acceptance be generated.

## 8 Classification of condition

The condition of second-hand goods should be classified on a ranking from A, B, C and D as follows.

- a) A-class: "very good" condition. Products identified as in "very good" condition should have all their primary and secondary features (functions) available (operational); in addition, operating instructions, maintenance manuals, care instructions and parts manuals should be provided, preferably in the language of the receiver.
- b) B-class: "good" condition. Products identified as in "good" condition should have all their primary and most of secondary features (functions) available (operational); where practical, operating instructions, maintenance manuals, care instructions and parts manuals should be provided, preferably in the language of the receiver.
- c) C-class: "fair" condition. Products identified as in "fair" condition should have most of their primary and secondary features (functions) available (operational).
- d) D-class: "poor" condition. Products identified as in "poor" condition have most of their primary and secondary features (functions) unavailable (non-operational) and should be traded only for the purpose of extracting parts for aftermarket needs.

Mechanical and electrical products that are primarily intended for safety should be considered not acceptable for trading as second-hand goods (e.g. moulded case circuit breakers).

## 9 Requirements

### 9.1 Technical Requirements

Second-hand goods and those who obtain, transfer or deliver, distribute or sell them should adhere to all conventions on cross border trade with respect to banned or restricted goods and equipment.

A second-hand good should be complete and work, maintaining its basic or primary function. Operating instructions, maintenance manuals, care instructions and parts manuals should be provided in the language of the country being shipped to.

A second-hand good should have the correct product identification, nameplate and rating. Electrical products should work at and be compatible with the power and plugs of the country they are being shipped to.

Second-hand goods should be subject to special inspection to ensure conformance or alternatively should be tested for compliance and attested thereto by bodies accredited to the ISO 17020, ISO 17025 or ISO/IEC 17065 and in accordance to ISO/IEC 17067.

Second-hand goods which are mechanical, electrical or fuel powered should be provided with statements of major accidents, maintenance and repair records, trading contracts, statement and proof of no-recalls

## **9.2 Safety Requirements**

Second-hand goods should meet the national requirements for general product safety requirements for similar products.

Second-hand goods should meet all national requirements for health and safety of the consumer for similar products.

Those entities providing service, maintenance and supply of second-hands should be subject to compliance to requirements to ensure product safety for the consumer.

## **9.3 Environmental requirements**

Second-hand goods should meet the state environmental requirements for similar products at the final destination.

# **10 Market Surveillance**

## **10.1 Collection of evaluations and complaints**

Parties distributing, selling or accepting second-hand goods should provide all evaluations to the authorities as required.

Complaints or any incidents to a second-hand good or any party in the supply chain to the consumer should be tracked and recorded. On-going complaints and incidents should lead to a reevaluation of the supply chain and the second-hand good involved.

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