

Customs Valuation

An international agreement on customs valuation has established uniform standards to be applied to determine the value of imported goods for the calculation of ad valorem rates of duty.

When the importer and exporter are not related, the customs authorities base the value for duty on the price actually paid or payable for the goods when sold for export (the "transaction price"). The price could, however, be adjusted in certain circumstances as described in the agreement.

If the transaction price cannot be used as the value for duty, the customs authorities will determine the value by applying the following methods in the order indicated:

1. the transaction price of identical goods sold for export to the same country;
2. the transaction price of similar goods sold for export to the same country;
3. the price at which imported goods, identical or similar goods, are resold in the country of importation to unrelated persons, adjusted to take into account costs and usual profits incurred after importation; and
4. a "computed" value based on the cost of production plus usual profits and expenses.

At the importer's request, the order of application of the last two methods may be reversed.

If the value for duty cannot be established using these methods, it may be determined using "reasonable means" consistent with the provisions of the customs valuation agreement and of the General Agreement on Tariffs and Trade (GATT).

The packings in which goods are imported are dutiable at the same rate as the goods they contain. Where packings would not normally be used for the goods they contain, and have an independent and durable use other than as packings, or where they have been used as packings to avoid the payment of customs duties otherwise applicable to them, they are dutiable at the rates that would be applied if they were separate shipments.

Anti-Dumping and Countervail

The European Community Council of Ministers and the European Community Commission (its executive arm) are