

**C4T**

**CUSTOMS4TRADE**

# The Importance of Customs Valuation

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# Who are we?

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Marketing Lead



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PreSales



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Director Customs

# Housekeeping rules

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- Stay muted the entire time
- Use the chat panel
  - Things you would like to know more about
  - Questions
  - Comments

# Agenda

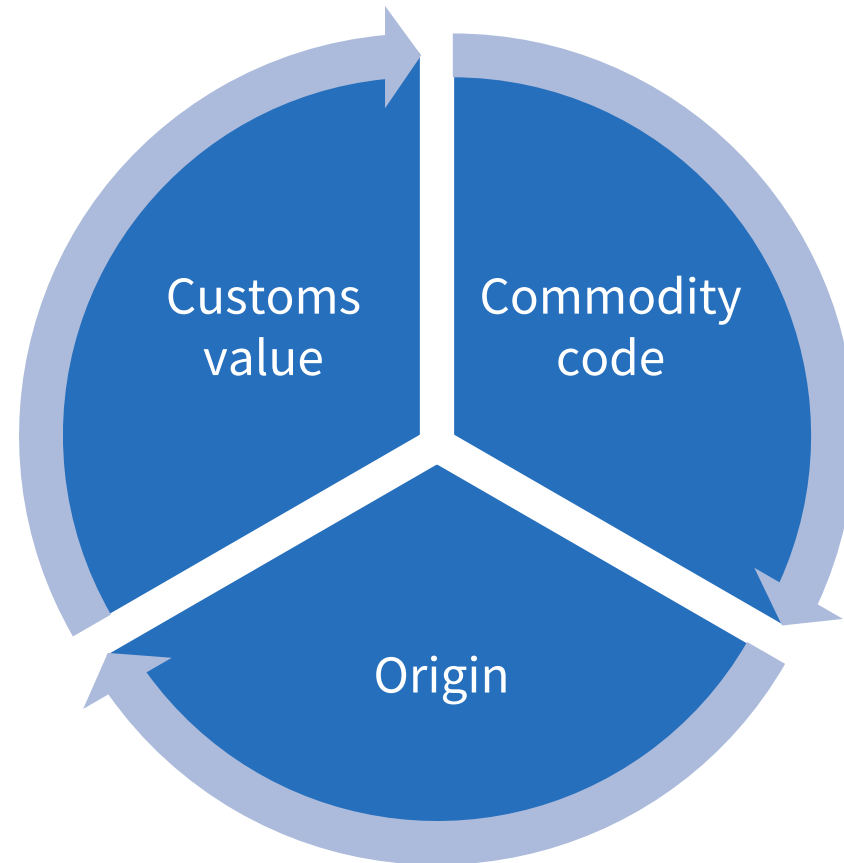
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- Importance of customs valuation
- Different options for customs valuation
- How to configure customs valuation parameters in CAS
- Q&A

# Importance of Customs Valuation

# Calculation of import duties

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# Importance customs value

## VAT

- Art. 85 VAT Directive 2006/112/EG: “For the importation of goods, the taxable basis is the value defined in the Community rules as the customs value.”

## Import statistics

- Art. 4 Regulation (EU) N° 113/2010 implementing Regulation (EG) nr. 1172/95 concerning the statistics of foreign trade: “The statistical value shall be based on the value of the goods at the time and place the goods cross the border of the Member State of destination on import and of the Member State of actual export on export”

## Determining origin

- At application of value rule

## Tariff quotas

- When the application of a tariff quota is dependent on a limitation in value of imports during a certain time period



# Customs value/statistical value/taxable basis for import VAT

## 1. Customs value

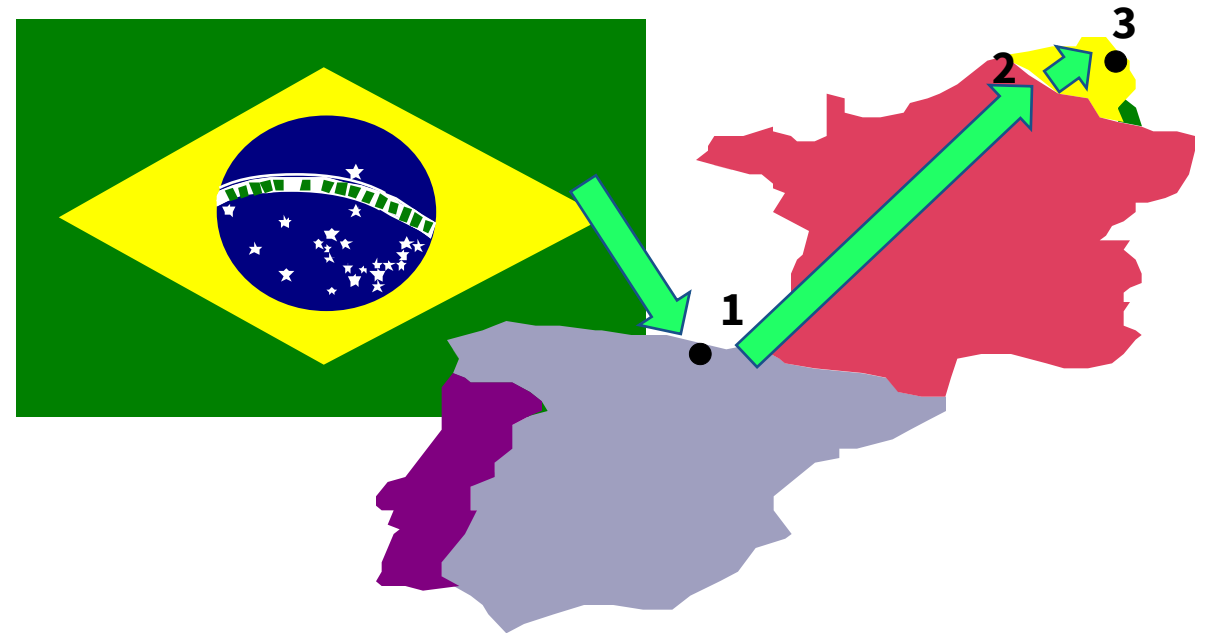
- place of entry into the EU
- → calculation base for IR (ad valorem)

## 2. Statistical value

- BLEU border
- → NBB trade statistics

## 3. Taxable basis for VAT upon import

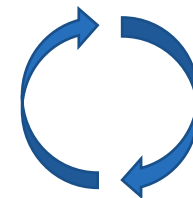
- to first place of delivery in EU
- → calculation base for VAT



# Methods to determine the customs value

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- 1 Transaction value of the imported goods
- 2 Transaction value of identical goods
- 3 Transaction value of similar goods
- 4 Value based on the selling price in the EU
- 5 Computed value
- 6 Reasonable means (fall-back method)



# Transactional value of the imported goods

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## Article 70 UCC

- “The primary basis for the customs value of goods shall be the transaction value, that is the price actually paid or payable for the goods when sold for export to the customs territory of the Union, adjusted, where necessary.”

# Basic conditions

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- Price actually paid or payable
- Sale for export to the customs territory of the Union

# Actual paid or payable price

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## Actual paid or payable price

- Total payment for the imported goods
- All payments from buyer to seller or to a third person to fulfill obligation of the seller
- Independent to means of payment

# **Different options for customs valuation**

# Different options for customs valuation

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- Can be provided per transaction
  - Item invoice amount = Customs value (CIF)
    - Customs jurisdiction currency
  - Additions and deduction provided in a customs shipment
  - Provided as a Data Element to CAS (ERP system customer's calculation)
- Can be configured in CAS
  - Based on fixed parameter in the client decision tables

# Type codes

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- A. Customs value adjustment - addition
- B. Customs value adjustment - deduction
- C. VAT tax base adjustment - addition
- D. VAT tax base adjustment- deduction
- E. Statistical value adjustment- addition
- F. Statistical value adjustment- deduction



# D.E. 4/9: Additions & Deductions

## Code list

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Code	Description (EN)
AB	Commissions and brokerage, except buying commissions, declared as a monetary amount
AC	Commissions and brokerage, except buying commissions, declared as a percentage addition
AD	Containers and packing
AE	Materials, components, parts and similar items incorporated in the
AF	Tools, dies, moulds and similar items used in the production of the imported goods, declared as a monetary amount
AI	Royalties and license fees, declared as a monetary amount. For percentage adjustments use code AM instead
AM	Royalties and license fees, declared as a percentage adjustment. For additions declared as a monetary amount rather than a percentage use
AJ	Proceeds of any subsequent resale, disposal or use accruing to the seller
AK	Insurance Costs
AL	Indirect payments and other payments (Article 70 of the code)
AN	Additions based on a decision granted in accordance with Article 71 of Delegated Regulation (EU) 2015/2446 in which an additional amount is
AO	Additions based on a decision granted in accordance with Article 71 of Delegated Regulation (EU) 2015/2446 in which a % adjustment is
AP	Transport costs, loading and handling charges up to the place of introduction in the European Union.

# Let's see it!

Decision tables

# Example

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- Import in Belgium coming from Japan – H1
  - Incoterm: FOB
  - Item price amount: €100
  - Adjustment of 1% for Insurance cost and transport cost
    - AK: Insurance cost (0,0003)
    - AP: Transport cost (0,0097)
  - Customs value: €101

# Let's see it!

Customs shipment

**Q&A**

# Thank You!

Next Webinar: full CAS demo

# C4T

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