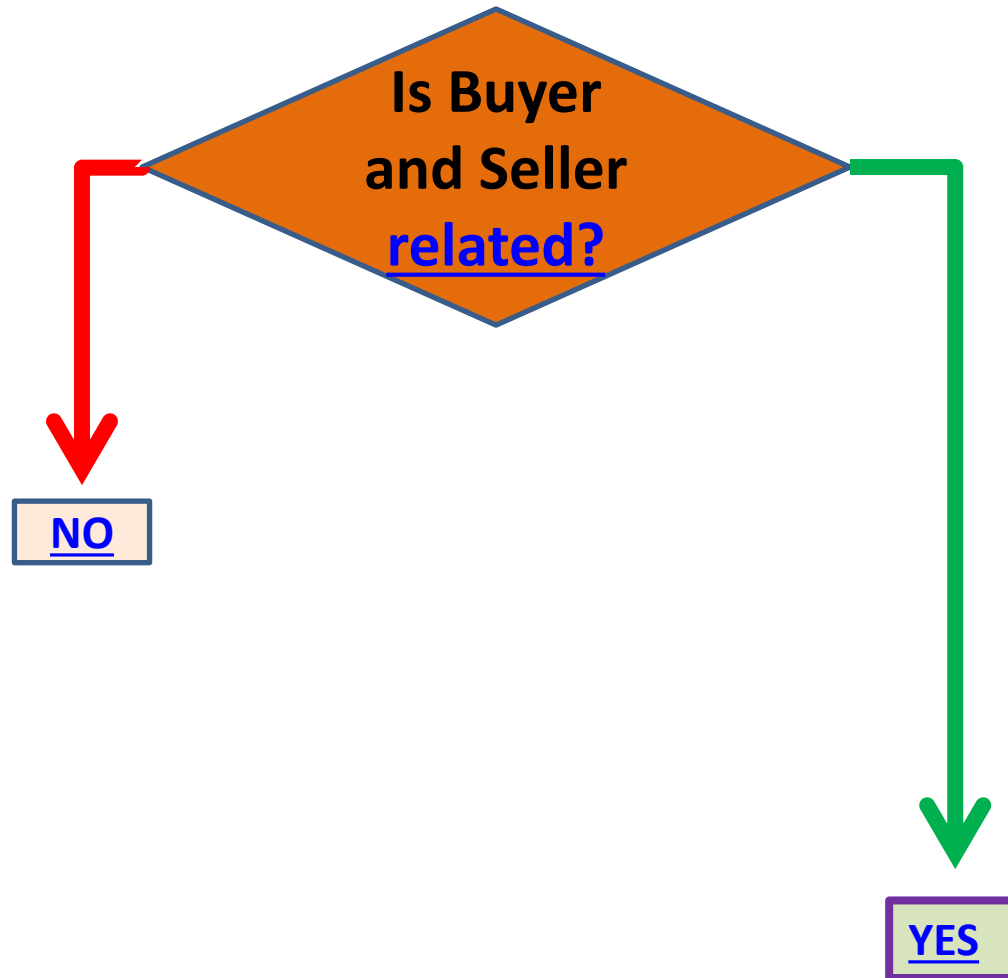
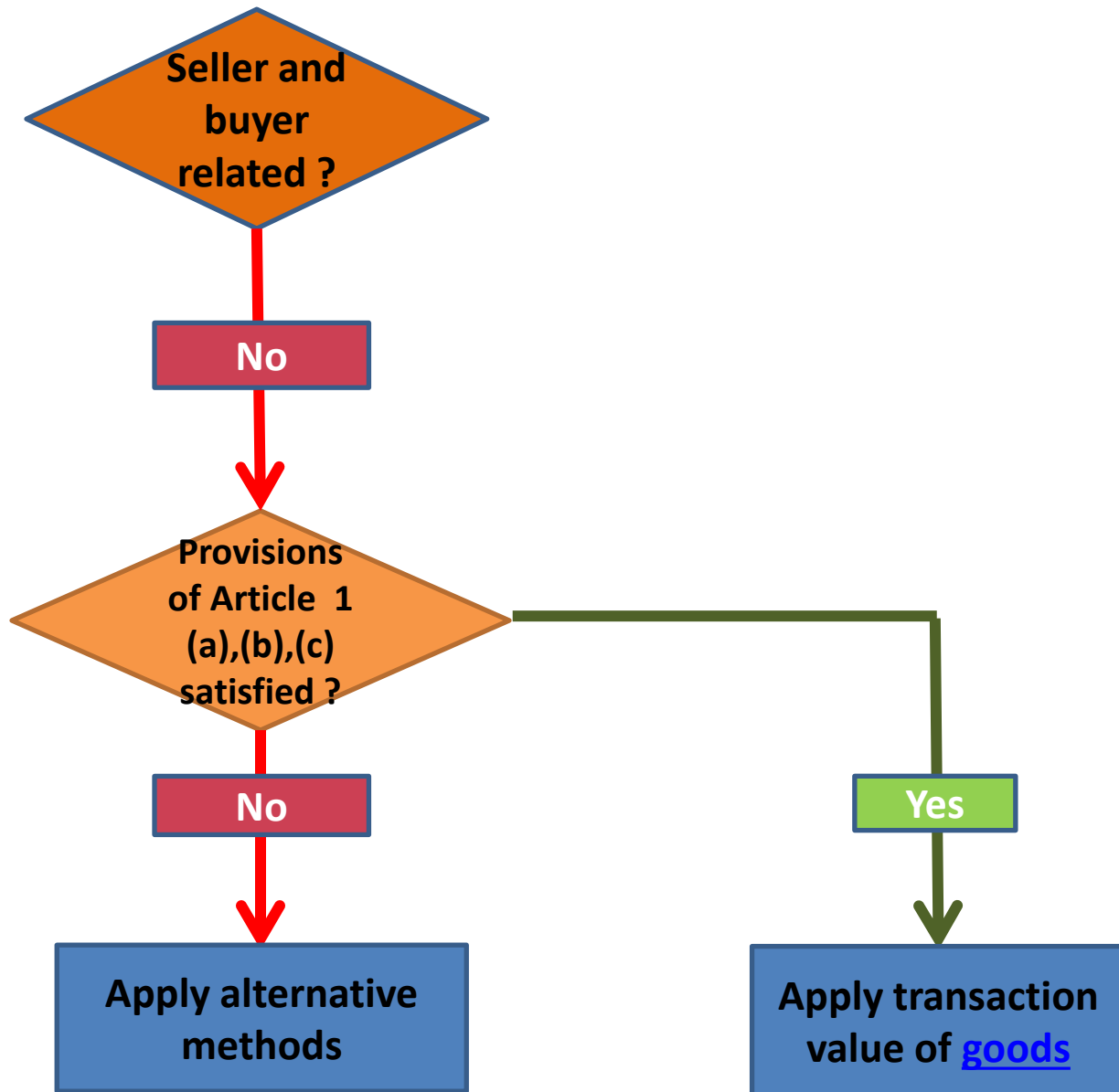


Article 1

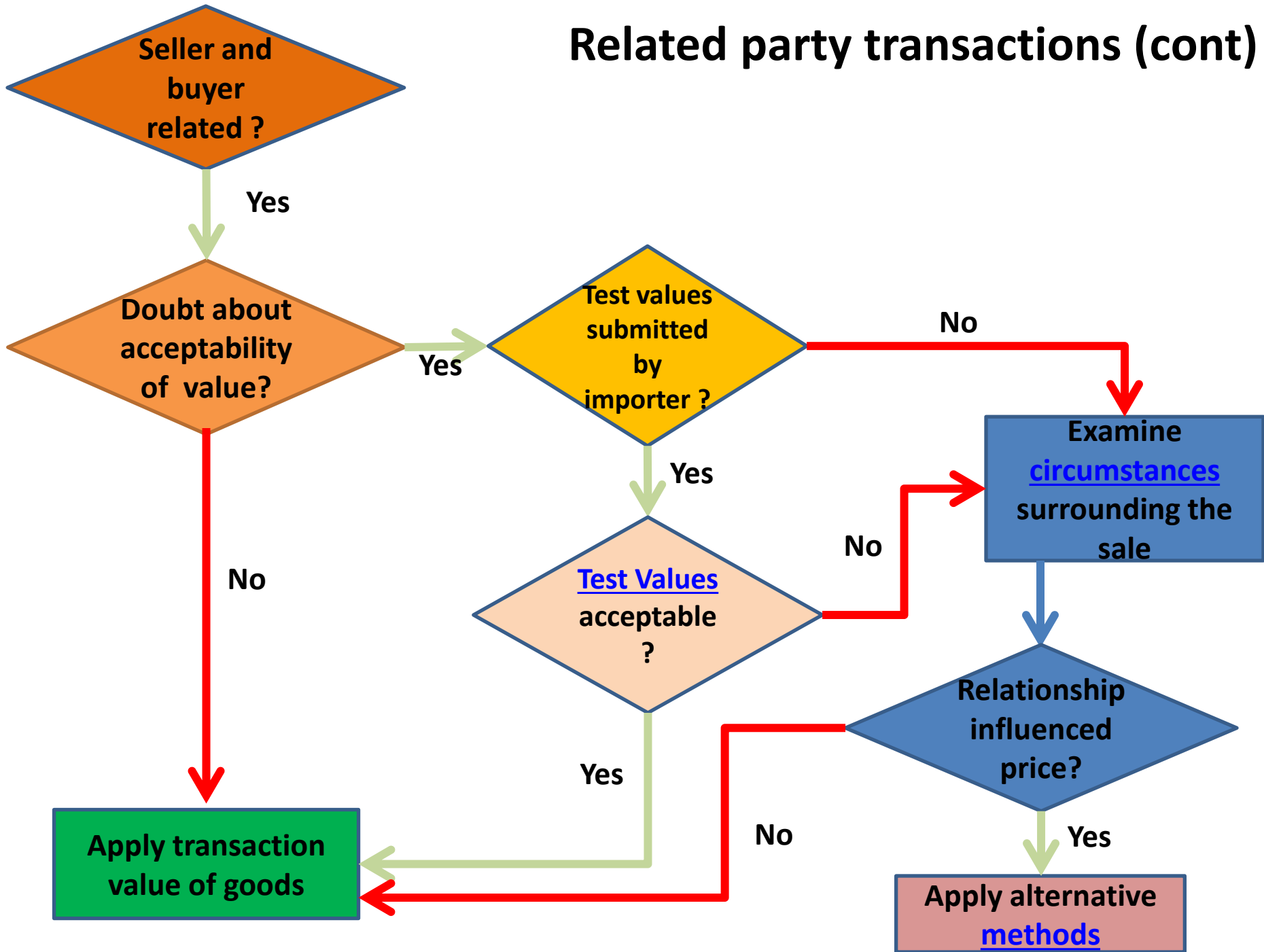
Related party transactions



Related party transactions (cont)



Related party transactions (cont)



Related party – definition

Article 15.4

For the purposes of the Agreement, persons shall be deemed to be related only if:

- (a) they are officers or directors of one another's businesses;
- (b) they are legally recognized partners in business;
- (c) they are employer and employee;
- (d) any person directly or indirectly owns, controls or holds 5 per cent or more of the outstanding voting stock or shares of both of them;
- (e) one of them directly or indirectly controls the other;
- (f) both of them are directly or indirectly controlled by a third person;
- (g) together they directly or indirectly control a third person; or
- (h) they are members of the same [family](#).

Family – definition

No definition in the Agreement.(National legislation)

EU legal definition of family relationships:

Persons shall be deemed to be members of the same family only if they stand in any of the following relationships to one another:

- husband and wife,
- parent and child,
- brother and sister (whether by whole or half blood),
- grandparent and grandchild,
- uncle or aunt and nephew or niece,
- parent-in-law and son-in-law or daughter-in-law,
- brother-in-law and sister-in-law.

Examination of Circumstances surrounding the sales

- Not in all cases where buyer and seller are related
- Only where there are doubts about acceptability of the price
- Give an opportunity to importer to supply detailed information to enable CsS
- Prepared to examine relevant aspects of the transaction

Examination of Circumstances surrounding the sales

- The way in which the buyer and seller organise their commercial relations and
- The way in which the price in question was arrived at.
 - Buy and sell to each other as if they were not related
 - Price settled in a manner consistent with normal pricing practices of the industry
 - the way the seller settles prices to unrelated buyers
 - Price adequate to recover all costs plus a profit in sales of goods of the same class or [kind](#)

Test values – Article 1.2 (b)

... the transaction value shall be accepted ... whenever the importer demonstrates that such value closely approximates to one of the following occurring at or about the same time :

- (i) **Transaction value** in sales to unrelated buyers of identical or similar goods for export to the same country of importation;
- (ii) Customs value of identical or similar goods as determined under **Article 5**;
- (iii) Customs value of identical or similar goods as determined under **Article 6**.

Take due account of demonstrated differences in commercial levels, quantity levels and Article 8 elements.

Test values – Article 1.2 (b)

The tests are to be used :

- at the initiative of the importer
- only for comparison purposes.
- Not as a means to establish substitute values

thank

you!!