



**World Customs  
Organization**

# Adjustments

Knowledge Academy

# Adjustment



- The Customs value of imported goods shall be the transaction value, that is the price actually paid or payable for goods when sold for export to the country of importation **adjusted in accordance with the provisions of Article 8** of the WTO Customs Valuation Agreement

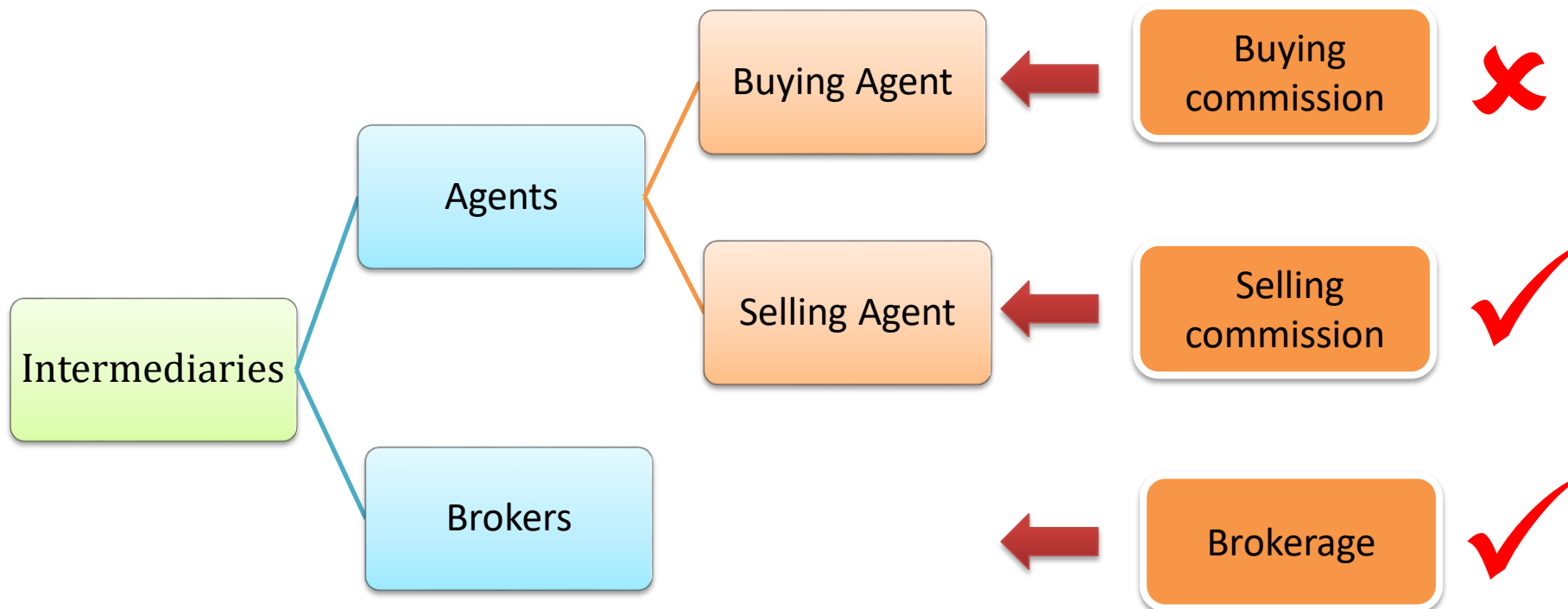
# Adjustments

- Compulsory adjustments (*Article 8.1*)
  - Commissions & Brokerage (*a*) ( *i* )
  - Packing & Containers Costs (*a*) ( *ii* )-( *iii* )
  - Assists (*b*)
  - Royalties & License Fees (*c*)
  - Subsequent Proceeds (*d*)
- Optional adjustments (*Article 8.2*)

# Commissions & Brokerage



Payments made to parties acting as intermediaries in a transaction



# Packing & Containers Costs



- the cost of containers which are treated as being one with the goods for Customs purposes; (*Article 8.1(a) (ii)*)
- the cost of packing whether for labor or materials (*Article 8.1(a) (iii)*)
  - interior packing boxes or cartons
  - exterior packing boxes or cartons
  - packing materials
  - the labor costs involved in placing the goods in the containers

# Assists

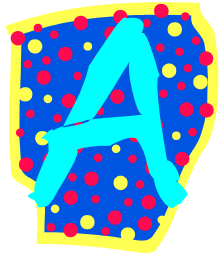
The value, apportioned as appropriate, of :

- certain goods or services,
- supplied directly or indirectly by the buyer,
- free of charge or at reduced cost
- for use in connection with the production of the imported goods

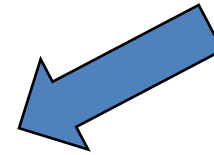
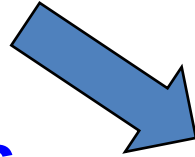
# Assists

## Categories of Assists

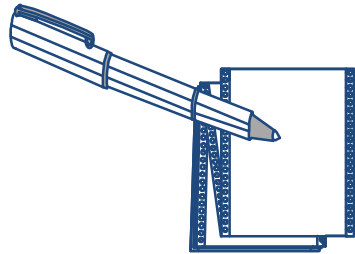
- Materials, components and parts incorporated in imported goods
- Tools, dies and moulds used in the production of imported goods
- Materials consumed in production of imported goods
- Engineering, development, artwork, design work and plans and sketches (undertaken elsewhere than in country of importation)



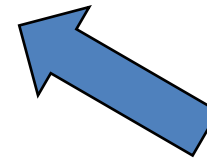
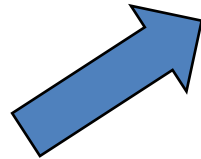
**Samples**



**Buttons**



**Design Work**



**Bleach**

# Royalties & Licence Fees



- What are Royalties?

The Collins Dictionary and Thesaurus (1991) defines “royalty” as *“a percentage of the revenue from the sale of a book, performance of a theatrical work, use of a patented invention ... paid to the author, inventor ...”*

- Royalties and licence fees may include, among other things, payments in respect to patents, trademarks and copyrights.

*The Interpretative Note to Article 8.1(c)*

# Royalties & License Fees

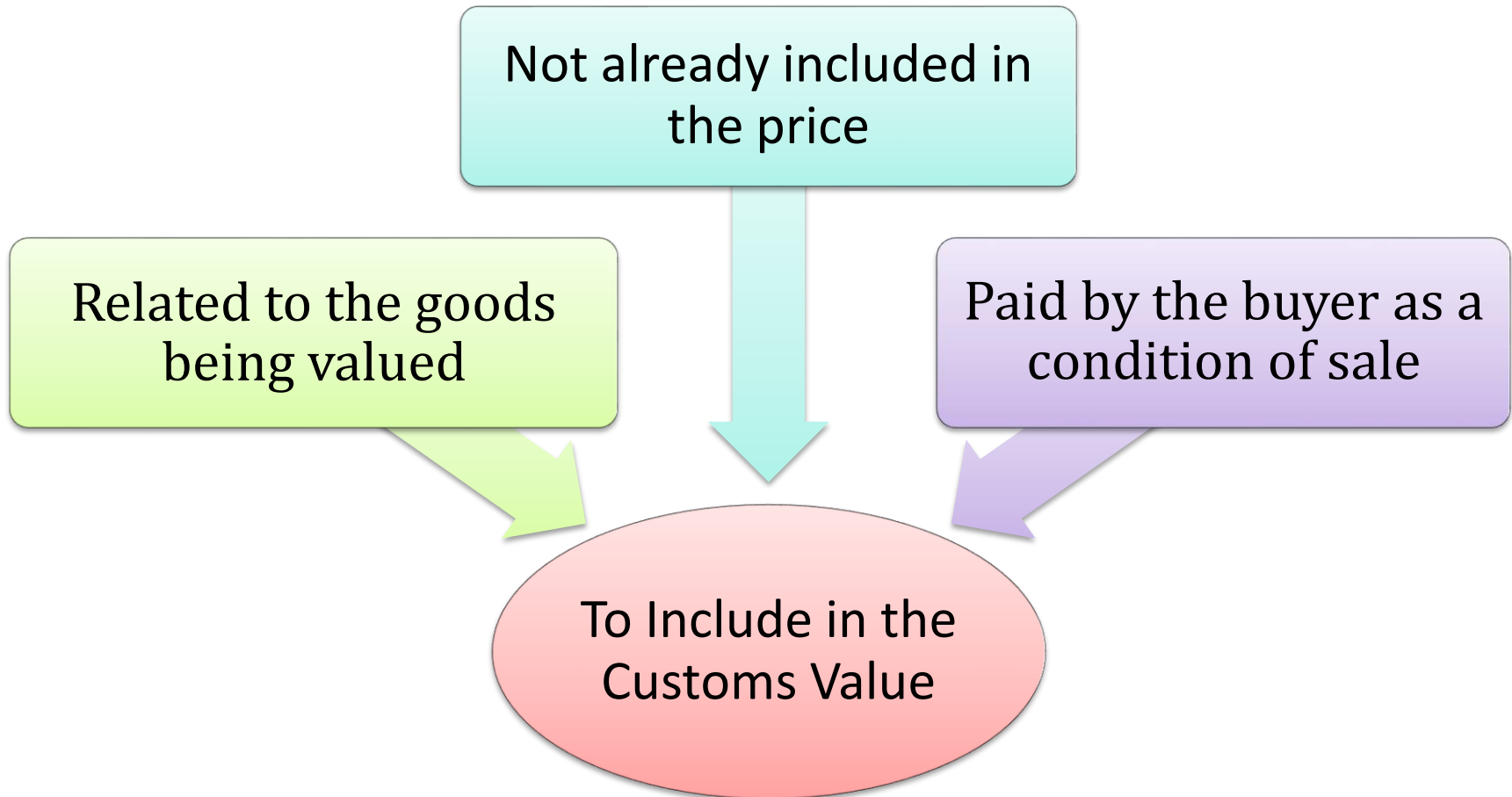


In determining the Customs value under the provisions of Article 1, there shall be added to the price actually paid or payable for the imported goods :

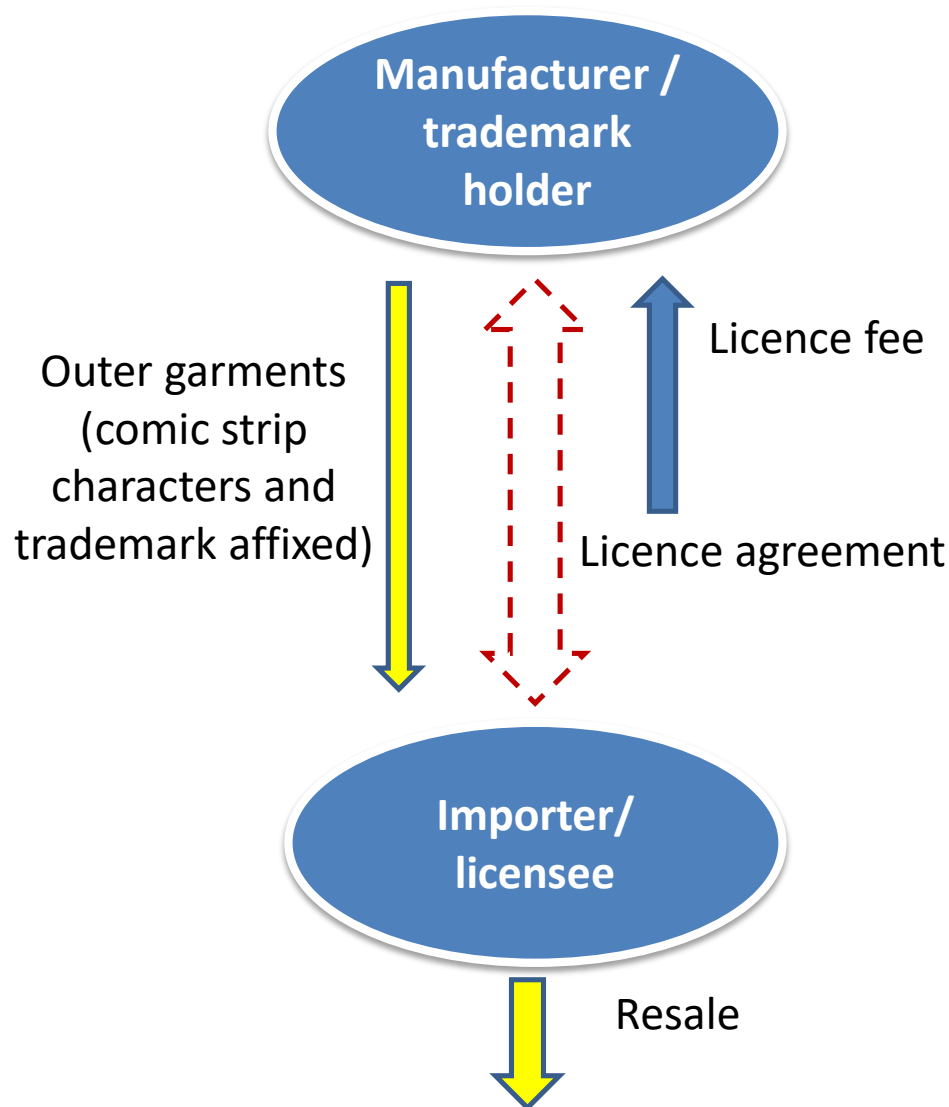
*... royalties and licence fees **related to the goods** being valued that the buyer must pay, either directly or indirectly, **as a condition of sale** of the goods being valued, to the extent that such royalties and fees **are not included** in the price actually paid or payable;*

*Article 8.1 (c)*

# Royalties & License Fees

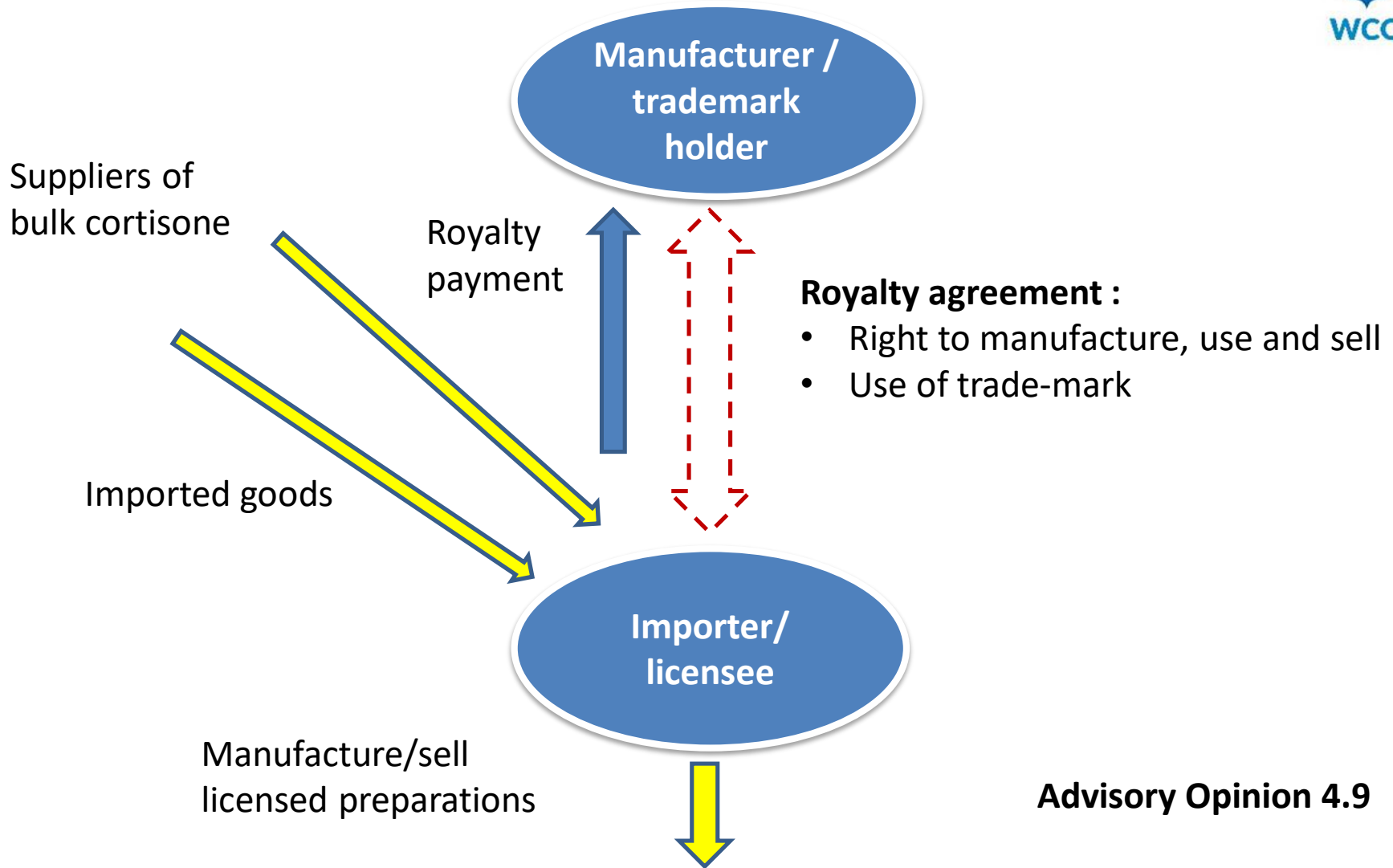


# Royalties & License Fees



**Advisory Opinion 4.10**

# Royalties & License Fees

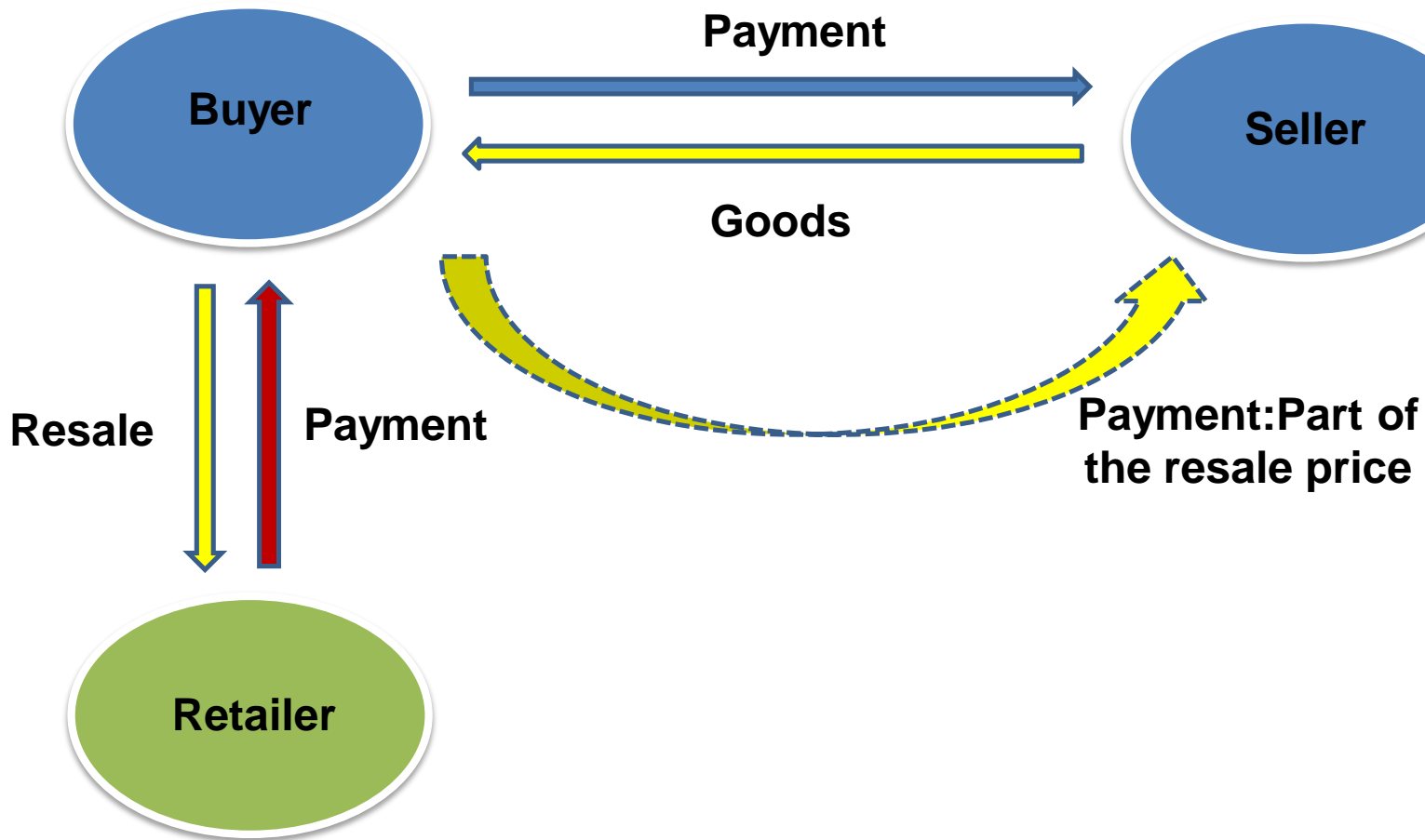


# Subsequent Proceeds



- The value of any part of the proceeds of any subsequent resale, disposal or use of the imported goods that accrues directly or indirectly to the seller

# Subsequent Proceeds



# Optional adjustments



- Depending on each country's decision
  - cost of transport
  - loading, unloading and handling charges
  - cost of insurance
- Terms of Sale
  - INCOTERMS: guidelines for the interpretation of the most commonly used terms in international trade.

# General Requirements



- Objective and quantifiable data (*Article 8.3*)  
Additions to the price actually paid or payable shall be made under this Article only on the basis of objective and quantifiable data.
- Condition of addition (*Article 8.4*)  
No additions shall be made to the price actually paid or payable in determining the customs value except as provided in this Article.



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**Thank you**

