

# WCO Practical Guidelines for Valuation Control - *Key messages*



# WCO Practical Guidelines for Valuation Control

1. Valuation Policy and Legislation
2. Managing Valuation Risk
3. Developing An Effective Valuation Control Programme



# Valuation Policy and Legislation

- WTO obligation to implement Agreement in national law
- Supporting legal framework required to facilitate adequate controls
- Establish national/regional valuation policy



# Managing Valuation Risk (I)

- Importance of aggregate trade statistics
- Develop importer profiles and risk rating
- Consider “Trade Segmentation” approach



# Managing Valuation Risk (III)

## Development and use of a Valuation Database

- Strengthen understanding of commercial pricing practices
- Best source of price data is previously accepted Customs declarations
- Price data should be protected
- Viewing and editing access should be restricted
- **Use price data ONLY as a risk management tool**
- Follow procedure of WTO Decision 6.1 (doubts regarding truth or accuracy of the declared value)
- Management checks to ensure no mis-application of database



## Managing Valuation Risk (IV)

Caveats and limitations to use of a valuation database :

- Highly resource intensive to obtain and maintain up-to-date price data
- H.S. description inadequate
- Lack of accurate descriptions
- Consider collecting price data only for certain high-risk goods
- Consider collecting price data on certain goods for limited period



# Developing An Effective Valuation Control Programme (I)

## ➤ Pre-Clearance stage

- Advance rulings

Balancing frontier and post-importation checks

Facilitation of compliant trade/ improving compliance

Options for exchange of customs valuation information



# Developing An Effective Valuation Control Programme (II)

## ➤ **Clearance stage :**

- Limited time for valuation controls
- Limited documentation available
- Still necessary for informal trade
- Chance to physically examine goods





# Developing An Effective Valuation Control Programme (III)

## ➤ **Post - Clearance stage :**

- Adequate time for valuation controls
- All relevant documentation should be available
- Facilitates trade as controls reduced at frontier



# WCO Practical Guidelines for Valuation Control - *Structure*

## 4. Key Challenges

- Informal trade sector
- Second-Hand goods/Used motor vehicles
- Pre-Shipment Inspection
- Multi-national enterprises: key valuation issues

