

Payments made by the buyer for the right to distribute or resell the imported goods have to be added to the price actually paid or payable for the imported goods only if such payments are a condition of the sale for export to the country of importation.

On the other hand, payment for the right to reproduce the imported goods in the country of importation should not be added to the price actually paid or payable for the imported goods in determining customs value.

### Non-resident Withholding Tax

Non-resident withholding tax and VAT reverse charges liable on some of these payments made to the supplier or third parties should not be confused with the inclusion of these costs in the Customs Value of imported goods.

The 2 payments (taxes and duties) are administered under different laws and are to be treated with distinction. One payment shall not suffice the other as both are mandatory payments under the Customs and Tax Laws.

Importers and Customs House Agents are requested to contact FRCS to clarify on any transaction that may resemble with the above references and voluntarily disclose the contractual agreements and commercial agreements that usually exist between the importer and the suppliers or third parties.

### Valuation of leased or hired goods

Goods imported under lease or hire arrangements are to be correctly declared to FRCS. Complete details of lease and hire must be endorsed on the C45 declaration form by the importer and any contractual agreements and commercial arrangements must be disclosed at time of importation.

### Associated Articles

Article 10: Confidentiality of information

Article 11: Importers' right of appeal

Article 12: Publication of national legislation (Transparency)

Article 13: Withdrawal of goods before the determination of the customs value

Article 16: Importer's right to request a written explanation regarding the customs value

Article 17: the rights of customs administrations to satisfy themselves as to the truth or accuracy of any statement, document or declaration presented for customs valuation purposes.

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### Call our 1326 HOTLINE

from 7am - 6am weekdays from  
any landline or mobile network  
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[www.frcs.org.fj](http://www.frcs.org.fj)



# CUSTOMS VALUATION

When you bring goods into Fiji, you may need to pay Customs duty and other charges on your arrival.

What you pay will depend on a number of factors such as; whether the goods are for your own personal use; whether they are covered by a concession or duty-free allowance and whether they are for commercial use.

### What is Customs Value?

Customs Value means the value of goods calculated for the purposes of collecting customs duties. Therefore, Customs Valuation is the price actually paid or payable for the goods when sold for export to Fiji. This includes the cost, inward freight, insurance and all other charges related to the goods being valued.

Fiji being a World Trade Organization (WTO) member, follows the WTO Customs Valuation Agreement guidelines in determining the Customs Value of Imported goods for duty purposes therefore it is important for FRCS to bring attention of the agreement to the general Trader Community and Customs House Agents.

There are several methods to valuation:

#### 1. Transaction Value Method

The primary method for customs valuation as defined in Article 1 which is to be read together with Article 8 that provides for adjustments to the price actually paid or payable.

#### 2. Transaction Value of Identical Goods

The transaction value is calculated in the same manner on identical goods if the goods are:

- The same in all respects including physical characteristics, quality and reputation
- Produced in the same country as the goods being valued

#### 3. Transaction value of similar goods

The transaction value is calculated in the same manner on similar goods if:

- Goods closely resembling the goods being valued in terms of component materials and characteristics.
- Goods which are capable of performing the same functions and are commercially interchangeable with the goods being valued

#### 4. Deductive Value

The agreement provides that when customs value cannot be determined on the basis of the transaction value of the imported goods, identical or similar goods, it will be determined on the basis of the unit price at which the imported, identical or similar goods are sold to an unrelated buyer in the greatest aggregate quantity in the country of importation.

#### 5. Computed Value

Being the most difficult and rarely used method, determines the customs value on the basis of the cost of production of the goods being valued, plus an amount for profit and general expenses usually reflected in sales from the country of exportation to the country of importation of goods of the same class or kind.

#### 6. Fall Back Method

Customs value determination based on "reasonable means consistent with the principles and general provision of the Agreement, Article VII GATT and on the basis of available data.

### Adjustments to price actually paid or payable

This article specifies that the price actually paid or payable in respect of goods sold for export to Fiji shall be adjusted by adding to the invoice value, to the extent that such amount is not already included in the invoice:

- a. Commissions and brokerage, except bona fide buying commissions
- b. The cost of containers which are treated as being one for Customs purposes with the goods in question
- c. The cost of packing whether for labour or materials
- d. The value of any goods and services provided as an assist in connection with the production and sale for export of the imported goods. Such goods and service may come in the form of:
  - Material components incorporated in imported goods
  - Tool, dies molds utilized in the production of imported goods
  - Any material consumed in the production of imported goods
  - Engineering, development work, art work, design work, plans and sketches undertaken elsewhere than in Fiji.
  - Royalties and license fees including payments for patents, trademarks and copyrights in respect to imported goods
  - The value of any part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer that accrues or is to accrue directly or indirectly to the seller
  - The cost of transportation and insurance and the loading, unloading and handling charges and other charges and expenses associated with the transportation of the imported goods to Fiji.

### How are royalties and license fees to be treated for valuation purposes?

When the buyer pays a royalty or license fees related to the imported goods as a condition of sale, the amount has to be added to the price actually paid or payable.

Examples are payments in respect of patents trademarks, copyrights etc. The basic requirement for addition of these fees under Article 8.1 (c) of the valuation agreement and the Customs Tariff Act 1986:

- I. Such amounts are related to the goods being valued and;
- II. The buyer pays these amounts as a condition of sale of the goods being valued.