

## 1401: Outline of Customs Valuation

Customs Law provides that customs duties shall be imposed on imported goods. Also, Customs Tariff Law provides that customs duties shall be imposed on imported goods on the basis of the value or quantity thereof taken as the basis for customs valuation.

Customs valuation means the methods to determine the value of the imported goods, for the purpose of levying an ad valorem duty, in accordance with the relevant laws.

The price of imported goods varies according to the commercial levels of manufacturing place, exporting place or importing place. Also, any additional payment not included in the invoice price may be made, and thus it is difficult issue to determine which price in which stage places should be regarded as the “customs value”.

Therefore, the Customs Tariff Law prescribes detailed provisions in accordance with international rules.

Methods of determining “customs value” as prescribed by the Customs Tariff Law consist of the primary (transaction value) method and alternative methods.

As for the “primary (transaction value) method”, see code No.1403 “Primary Method to Determine the Customs Value of Imported Goods”.

(Article 3 of the Customs Law, Article 3 and Article 4 to 4-8 of the Customs Tariff Law and WTO Valuation Agreement)