

1404: Alternative Methods to Determine the Customs Value of Imported Goods

The customs value of imported goods shall be the transaction value in principle, that is the price actually paid or payable for the goods by a buyer to or for the benefit of a seller for the imported goods in the import transaction relating to the imported goods, plus the cost of transport, the cost of insurance and other additions, to the extent that it is not included in the price actually paid or payable for the goods.

However, the customs value of the imported goods shall be determined by alternative methods when the above primary method can not be applied in the case of followings.

- (1) The cases where there are any of the circumstances with respect to the import transaction relating to the imported goods
 - There are restrictions as to the disposition or use of the imported goods by the buyer.
 - The import transaction relating to the imported goods is subject to the condition which makes it difficult to determine the customs value of the imported goods.
 - The value of those proceeds of any subsequent disposition or use of the imported goods by the buyer which accrues, directly or indirectly, to the seller is not clear.
 - Specific relationship between the seller and the buyer influences the transaction value of the imported goods.
- (2) The cases where there are no import transaction (sales) relating to the imported goods
 - Free consignment
 - Goods imported on consignment
 - Goods imported by the seller's agent for sale in an importing country on account and at the risk of the seller
 - Goods imported under a hire or leasing contract
 - Goods supplied on loan, which remain the property of the sender
 - Goods imported by branches which are not separate legal entities
 - Goods imported for destruction in country of importation, with the sender paying the importer for his services

If the customs value of the imported goods can not be determined by the primary method, see "Alternative Methods to Determine the Customs Value of Imported Goods".

(Paragraph 2, Article 4 of the Customs Tariff Law, the administrative guideline 4-1.2of the Customs Tariff Law)