

1403: Primary Method to Determine the Customs Value of Imported Goods

1. Primary method to determine the Customs value

Customs Tariff Law stipulates that, when the import transaction of the imported goods (excluding ones whose buyer does not have its domicile, residence, principal office, branch office, other offices, place of business or equivalent places thereto in Japan) has been made, the Customs value of imported goods shall be the transaction value, that is the price actually paid or payable by the buyer to or for the benefit of the seller for the imported goods relating to the import transaction, adjusted to take into account certain additional costs such as the cost of transport, to the extent that they are not included in the price actually paid or payable for the goods.

2. Adjustments

Following is a list of adjustments to be considered when applying the primary method.

- (1) The cost of transport, the cost of insurance and other expenses associated with the transport of the imported goods to the port of importation.
- (2) The following, to the extent that they are incurred by the buyer related to the import transaction of the imported goods:
 - (i) commissions and brokerage, except buying commissions;
 - (ii) the cost of containers of the imported goods;
 - (iii) the cost of packing of the imported goods.
- (3) The value of the following goods and services where supplied directly or indirectly by the buyer free of charge or at reduced cost for use in connection with the production and the import transaction of the imported goods:
 - (i) materials, parts and similar items incorporated in the imported goods;
 - (ii) tools, moulds and similar items used in the production of the imported goods;
 - (iii) materials consumed in the production of the imported goods;
 - (iv) engineering, plans and other services for the production of the imported goods.
- (4) Royalties and licence fees including payments in respect to patents, designs or trademarks and such similar rights related to the imported goods that the buyer must pay, either directly or indirectly, as a condition of the import transaction of the imported goods.
- (5) The proceeds of any subsequent disposition or use of the imported goods by the buyer that accrue directly or indirectly to the seller.

If the Customs value of the imported goods cannot be determined by the primary method, please refer to [No.1404 "Alternative Methods to Determine the Customs Value of Imported Goods"](#).

(Article 4 of the Customs Tariff Law)

Please refer to the following URL for details on customs valuation:

<http://www.customs.go.jp/zeikan/seido/hyoka.htm>