



# Unravel Customs Valuation with UPS®



Customs valuation is the process of correctly determining the customs value of imported goods in order to calculate the amount of duty that needs to be paid.

Most countries impose a customs duty on imported goods. To ensure smooth international delivery, businesses must provide accurate information so that an accurate customs value can be determined.

## What can happen if my customs value is incorrect?



Seizure of goods



Increased delays and costs



Duties and taxes may be payable on all future imports



A formal investigation



Audits or inspections of future transactions

## How to determine customs value

According to the WTO<sup>1</sup> Customs Valuation Agreement, there are six ways to appraise the value of imported goods:

### 1 Transaction value of imported goods

If the imported goods are already sold, the value is the price paid for the merchandise in the destination country. Specific additions and deductions may also be applied.

### 2 Transaction value of identical goods

The value is based on the appraisal of identical goods that have been imported on or around the same date. Valuation based on physical characteristics, quality and producer.

### 3 Transaction value of similar goods

The value is based on the appraisal of similar goods - based on the same characteristics and function - that have been imported on or around the same date.

### 4 Deductive value

If a value cannot be determined by the above methods, the amount is reached by deducting qualifying costs and charges from the domestic selling price of goods sold on or about the same time the importation.

### 5 Computed value

Very rarely used, but calculated by adding material, production, profit and general expenses of the imported goods.

### 6 Fall-back

As a fall back, if strict interpretation of the above methods cannot determine the value of imported goods, a reasonable amount of flexibility of each method in sequence is allowed.

## How can UPS Trade Assist™ help?

With more than 80 years of customs brokerage and global trade experience, customers can leverage UPS Trade Assist to navigate customs complexities and mitigate risks.

Contact us at [tradeassist@ups.com](mailto:tradeassist@ups.com) or simply reach out to your UPS account executive today.

<sup>1</sup>World Trade Organisation

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