

Guide to the Exchange of Customs Valuation Information

Preamble

This Guide is designed to facilitate the exchange of valuation information among Customs administrations. It consists of (1) a checklist regarding valuation verification actions to be taken by the Customs administration of the importing country before requesting information from the Customs administration of the exporting country and (2) a set of recommended procedures, applicable to the Customs administrations of both the importing and exporting countries, for the exchange of valuation information.

In accordance with the terms of the WTO Valuation Agreement, the basis for the valuation of goods for Customs purposes should, to the greatest extent possible, be the transaction value of goods. If (taking into account Decision 6.1 of the Committee on Customs Valuation and Case Study 13.1 of the Technical Committee on Customs Valuation on the Application of Decision 6.1) the Customs administration of the importing country has reasonable grounds to doubt the truth or accuracy of the declared value, the administration may conclude that the Customs value of the imported goods cannot be determined under the provisions of Article 1.

The exchange of valuation information between Customs administrations may be used when there are reasonable grounds to doubt the truth or accuracy of the declared value and fraud is suspected. The information should not be used as a basis for the determination of Customs value.

Exchange of information is only part of the solution to effective valuation control and should form part of a more comprehensive approach. Successful valuation control depends on a long-term strategy of reform and modernisation of Customs administrations. In particular, Customs administrations should rely on a control mechanism, using intelligence-based risk assessment and post-clearance auditing systems, which are fundamental to improving Customs valuation control regimes. Focused capacity building and technical assistance efforts are also called for.

In requesting valuation information, the requesting administration needs to bear in mind the associated resource and cost implications for the requested administration. The proportionality between the fiscal interest involved in a request and the efforts to be made in providing the information should be considered and frivolous requests should be avoided.

Any information provided under the procedures of this Guide should be treated in accordance with the applicable confidentiality provisions.

Checklist regarding valuation verification actions to be taken by the Customs administration of an importing country before requesting information from the Customs administration of the exporting country

1. Before requesting information from the Customs administration of the exporting country, the requesting administration should ensure that, to the extent possible, all appropriate verification procedures in the importing country have been undertaken. The following listing, although not exhaustive, provides requesting administrations with a checklist that confirms the substance of the request being made.

Checks in regard to the value declaration or Customs entry

(a) That all appropriate documentation has been made available to the Customs administration and has been inspected. This may include :

- (i) Customs entries;
- (ii) bills of lading;
- (iii) commercial invoices;
- (iv) contracts of sale;
- (v) valuation declarations;
- (vi) payment and bank records;
- (vii) other legal documents, such as licence and warranty agreements;
- (viii) relevant correspondence.

(b) That internal (Customs) research and analysis has been conducted. This may include :

- (i) Records of previous importations by the same importer have been checked :
 - Customs entries;
 - declared values;
 - duties paid;
 - method of valuation;
 - other historical records.
- (ii) Risk assessment and risk analysis procedures have been fully undertaken; this may include the use of appropriate database resources.

Checks relating to the status of the importer

This may include :

- (a) Customs offence records have been examined;
- (b) compliance with the tax authorities has been checked;
- (c) the WCO CEN database has been checked.

Contacts with the importer

- (a) The importer has been advised in writing of the administration's reasons for doubt.
- (b) The importer has been requested to supply additional information and advised of the level of proof to be supplied, including copies of all correspondence between the exporter and the importer.
- (c) The importer has been interviewed, as appropriate.

Checks to be conducted during post importation audit (where appropriate).

- (a) Verification of financial records pertaining to the transaction.
- (b) Verification of trader's systems.
- (c) Examination of commercial records, including contracts.
- (d) The importer has been interviewed.

2. If, after following the relevant checklist items, to the extent possible, there are still reasonable grounds to doubt the truth or accuracy of the declared value and fraud is suspected, assistance from the Customs administration of the exporting country may be sought, in accordance with the following recommended procedures.

Recommended procedures for the exchange of valuation information

1. Valuation-related information to be requested from the Customs administration in the country of exportation should be limited to information which is necessary for verifying the truth or accuracy of the Customs value declared by the importer and fraud is suspected. The requested information may include the value of the goods stated in the export declaration/entry presented to the Customs administration of the exporting country.

2. The use of bilateral or multilateral mutual administrative assistance agreements to delineate the appropriate terms for the exchange of valuation information among Customs administrations is recommended.

3. Communication in regard to the exchange of valuation information should take place between appropriate offices designated for this purpose. The designated offices should be notified to the Secretary General of the WCO by the Customs administrations concerned. The Secretary General will make the information concerning designated offices available to Members on the WCO Members Web site.

4. Requests for information should be made in writing or electronically. The requested Customs administration may require written confirmation of electronic requests. Where the circumstances so require, requests may be made verbally. Such requests shall be confirmed as soon as possible either in writing or, if acceptable to the requested and requesting administrations, by electronic means.

5. Requests for information should specify :

- (a) the purpose of the request and the type of information requested;
- (b) the measures taken by the requesting Customs administration in accordance with the "Checklist";
- (c) the information necessary to identify the goods and their export declaration/entry, which may include :
 - (i) details regarding the goods (name, quantity, tariff code number, shipping marks, number of packages, invoice number, etc.);
 - (ii) name and address of the importer/buyer/consignee;
 - (iii) name and address of the exporter/seller/consignor;
 - (iv) means of transportation and transport document number;
 - (v) date and place of departure/exportation;
 - (vi) date and place of arrival/importation;

- (d) any other information deemed useful by the requesting administration.
6. The requested Customs administration should notify the requesting Customs administration of the receipt of the request as soon as administratively possible.
7. The requested information should be provided as quickly as possible, preferably on the basis of a mutually agreed time frame, in accordance with national legal and administrative provisions in the country of exportation and within the limits of the Customs administration's competence and available resources. The response to the request for information should provide the requested information as fully and accurately as possible. The response could also include, as appropriate, the following information :
- (a) whether the export consignment has been identified;
 - (b) whether the export entry documents have been verified;
 - (c) whether the Customs administration's records have been consulted;
 - (d) whether relevant information has been sought from other government agencies concerned;
 - (e) whether the exporter/seller/consignor has been consulted.
8. Where the requested Customs administration cannot provide the information expeditiously, it shall notify the requesting Customs administration of the reasons for its inability or delay in providing the information.