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Changes in the Customs Valuation Rules for determining the value of imported goods

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Changes in the Customs Valuation Rules for determining the value of imported goods

- Rule 10(2) of Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 which provide for inclusions in the value of imported goods to determine the Assessable Value has been amended vide Notification dated 26 September 2017.
- Prior to the amendment, the Rules mandated inclusion of cost of loading, unloading and handling charges at the place of importation in the assessable value at a notional rate of 1% of the sum of FOB (Free on board) value, cost of transportation and cost of insurance irrespective of the actual cost.
- The notional 1% inclusion of cost of loading, unloading and handling charges associated with the delivery of imported goods at the place of importation has now been done away with and only the actual cost is required to be included in the Assessable Value, if ascertainable.
- The 'place of importation' has now been defined to mean customs station where the goods are brought for being cleared for home consumption or for being removed for deposit in a warehouse.
- If the cost of transportation, loading, unloading and handling charges is not ascertainable, the same shall be taken as 20% of the FOB value (In case of import of goods by air the same shall be restricted to 20% of the FOB Value where actual cost is more).
- Further, prior to the amendment, only the freight charges incurred for movement of imported goods by sea from the port of entry to the Inland Container Depot or Container Freight Station were excluded from the computation of transaction value. However now the cost of insurance, transport, loading, unloading and handling charges associated with transshipment shall be excluded when the goods imported by sea or air are transhipped to another customs station in India.

Source: Notification No. 91/2017-Customs (N.T.) dated 26 September 2017

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