

Value for customs purposes



Recently the South African Revenue Service (SARS) effected amendments to the Customs and Excise Act to align it with the World Trade Organisation's valuation rules in respect of the definition of buying commission. These amendments also aim to ensure a consistent approach to determine the point of valuation for goods imported into South Africa.

Notwithstanding these amendments, SARS is also exercising more stringent control over the value used for customs purposes of goods imported. There is greater scrutiny of costs that are deducted or that should be added to the value for customs purposes. In this regard, SARS is focusing on both related party and non-related party transactions where costs / fees, such as the following, could impact the correct value for customs purposes:

- Ocean freight charges shown on the invoice;
- Commissions;
- Royalty / Licensing fees;
- Distribution rights fees;
- Management fees;

- Advertising / marketing fees; and
- Assistance provided to the supplier / manufacturer, such as plans, drawings, moulds, raw material and components necessary in producing the goods that will be imported into South Africa.

Should you require assistance with the valuation of your imported goods or are uncertain as to the costs that should be taken into account in determining the value for customs purposes, do not hesitate to contact us.

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