

Practical approaches regarding the inclusion of license fees into the customs value of imported goods.

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30 October 2008

Moscow



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Determination and declaration of the customs value

Customs value should be determined and declared by the declarant (importer of record) at the moment of the declaration of goods



1. The declarant should make a decision on the inclusion/non-inclusion of license fees into the customs value of the goods
2. The declarant has to choose the procedure of inclusion of license fees into the customs value of the goods if the respective decision on the inclusion is taken by the declarant

Critical issues to be considered by the importer

- What should be done if the amount of the license fees does not refer to the particular name/type of the imported goods?
- How should the customs value be declared if the amount of the license fees is not fixed at the moment of the declaration of goods?



Practical approaches regarding the inclusion of license fees into the customs value of imported goods

Allocation of the amount of the license fees between several names/types of imported goods

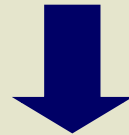
The total amount of the license fees may be:

- Allocated in proportion to the value of each of the names/types of the goods;
- Included into the customs value of the goods subject to the highest level of taxation;
- Included into the customs value of the first shipment of the goods regarding which the respective license fees have to be paid.

(Please see the established procedure regarding filling in graph 15 of the customs value declaration, “Fees for the use of the intellectual property rights”).

Practical approaches regarding the inclusion of license fees into the customs value of imported goods (2)

The amount of the license fees **is not fixed** at the moment of declaration



APPROACH 1
Method 1 is applicable



Inclusion of license fees following the preliminary calculation with a subsequent adjustment



Inclusion of license fees in the amount actually paid after importation

Practical approaches regarding the inclusion of license fees into the customs value of imported goods (3)

The amount of the license fees **is not fixed** at the moment of declaration



APPROACH 2

Method 1 is not applicable.
Application of Method 6



Inclusion of license fees following the preliminary calculation with a subsequent adjustment



Inclusion of license fees following the preliminary calculation without a subsequent adjustment

Practical approaches regarding the inclusion of license fees into the customs value of imported goods (3)

- Practical issues regarding the customs value adjustment after the release of the goods
- Security for customs payments
- Limitation of period for submission of the documents required for the customs value adjustment
- Possibility to reimburse the amount of customs payments overpaid to the budget

General conclusions

- The information regarding the license fees paid (or payable in future) should be declared at the moment of importation of the first shipment of goods, subject to such license fees.
- In practice, there is no unified approach regarding the inclusion of license fees into the customs value of goods. Therefore, different customs authorities may recommend and apply different approaches.
- It may be recommended to initiate negotiations with the customs authorities beforehand. It may also be recommended to obtain the respective written consultation from the customs authorities.
- Amendments to the customs legislation in force regarding the customs value adjustment after the release of the goods and customs payments procedures should overcome the problem.

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Customs issues

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