

CUSTOMS VALUE OF GOODS

“Customs value” refers to the value of imported goods used to calculate customs import duties and taxes. Most imports are valued based on the “transaction value” (contract price), i.e., the price paid or payable for the goods in their country of exportation when sold to Kosovo, with certain specified adjustments. However, if it is not possible to use transaction value, 5 other methods of valuation may be used in sequence.

The Kosovo Customs Code provides the authority for the six sequential methods that must be applied in determining the customs value of imported goods (see Articles 31 to 40 of the Code). These provisions in the Code are based on the World Trade Organization (WTO) Agreement on Customs Valuation (ACV) in determining customs values of imported goods (“WTO-ACV” or “ACV”). The same principles and practices are also applied for the valuation of imports into the European Union and for that matter all 157 economies that are members of the WTO and many other countries as well.

Additional Information on Customs Valuation

Articles 60 to 82 of the Administrative Instruction no 11/2009 “Laying down provisions for the Implementation of the Customs Code” provide more detailed information on Customs value and on how the value of imported goods is to be determined. Annex 12 of this Administrative Instruction provides Interpretative Notes on Customs Value.

Articles 31 – 40 of the Kosovo Customs Code) elaborate rules for the determination of the value of imported goods, in order to provide greater uniformity and certainty in how values may legally be determined. Predictability for traders is a main objective of these provisions in the Code related to Customs Value, as these valuation provisions in the Kosovo Customs Code faithfully follow the same principles of the ACV – in order to provide predictability for Kosovo importers.

The system for determining import values in Kosovo recognizes the need for a fair, uniform and neutral system for the valuation of goods for customs purposes that precludes the use of arbitrary or fictitious customs values. Indeed, the Customs Code sets out the valuation methodology that Kosovo Customs must apply on imports. To the greatest extent possible, the “customs value” of imported goods is to be the transaction value of the goods being valued. The transaction value of goods is primarily based on the price paid or payable for the goods (in accordance with the commercial reality) except in cases where certain restrictions or conditions pertaining to the goods, unfairly or unrealistically affect their value.

Customs values are based on simple and equitable criteria consistent with commercial practice, and the valuation methods applied should be “of general application without distinction between sources of supply”.

Importers should be aware that customs value cannot be determined on the basis of:

- the selling price in Kosovo of goods produced in Kosovo;
- a system which provides for the acceptance for customs purposes of the higher of two alternative values;
- the price of goods on the domestic market of the country of exportation;
- the cost of production, other than computed values which have been determined for identical or similar goods in accordance with Article 33 (2) (d);
- prices for export to a country other than Kosovo;
- minimum customs values; or
- arbitrary or fictitious values;

The WTO-ACV also recognizes that customs valuation procedures should not be used to combat dumping.

In this regard, any system applying of minimum or comparative values is in direct contravention of the ACV, EU principles and the import valuation provisions in the Kosovo Customs Code.

The objective of providing this information in the ITG is to improve the quality of information provided on customs declarations (hence fostering greater voluntary compliance) pertaining to the goods involved in the transaction. Improvement in the quality and accuracy of information on invoices and customs declarations will in turn, allow Kosovo Customs to provide better service in clearing import shipments more rapidly.

Title IV beginning on page 18 of Administrative Instruction No. 11/2009 provides more detailed information on the valuation of imported goods. More specifically, Articles 60 to 82 of this Administrative Instruction (pp 18-51) provide detailed information on customs valuation, and Annex 12 to the Administrative Instruction outlines helpful “Interpretative Notes on Customs Value”. (This Annex is found on page 377 of the Administrative Instruction).

Whenever Kosovo Customs has doubt about a declared import value, an officer may ask for additional information on the goods and transaction in question. However, if doubt continues, the officer must, before reaching a final decision, notify the person concerned, in writing if requested, of the grounds for those doubts and provide the person with a reasonable opportunity to respond. In all such cases, a final decision and the grounds must be communicated in writing to the person concerned.

Where a customs debt is incurred in respect of imported goods and the customs value of such goods is based on a price actually paid or payable which includes the cost of warehousing and of preserving goods while they remain in the warehouse, such costs need not be included in the customs value if they are shown separately from the price actually paid or payable for the goods.

VALUATION OF INTERNATIONAL TRANSPORT AND INSURANCE COSTS

The customs value of imports into Kosovo is calculated on the CIF basis (literally, the cost of the goods, plus international freight and insurance costs). Sub article 36.1 (e) of the Customs Code provides the authority to include the cost of international transportation in the customs value of imported goods.

So, the cost of transport and insurance of the imported goods, and all loading and handling charges associated with the transport of the imported goods to the place of first arrival of imported goods into Kosovo must be included in calculating customs value.

Where goods are carried by the same mode of transport to a point beyond the point of first arrival into Kosovo, transport costs must generally be assessed in proportion to the distance covered outside and inside Kosovo. This is necessary because only the international portion of transport and insurance costs is to be included in calculating customs value of the imported goods.

Where transport is free or provided by the buyer, transport costs to the point of first arrival in Kosovo, determined in accordance with the schedule of freight rates normally applied for the same mode(s) of transport, are to be calculated on the basis of the freight schedule and then added to the customs value. However, any such additions to the price actually paid or payable, in this regard, must be made only on the basis of objective and quantifiable data.

In this regard, the percentage of air transport costs to be included in the customs value of imported goods is 100%.

For goods imported into Kosovo by the international postal service, all postal charges levied up to the place of delivery are to be included in the Customs value of these goods, with the exception of any supplementary postal charge levied in Kosovo. However, no adjustment to the declared value is to be made in respect of such charges in determining the value of postal consignments of a non-commercial nature.

SEPARATE VALUE DECLARATION

Where it is necessary to establish a customs value for the purposes of Sections 32 to 40 of the Customs Code, a declaration of particulars relating to customs value of imported goods (value declaration) is required to accompany the customs import declaration made in respect of the imported goods.

The value declaration will be completed and presented on Form "D.V. 1" corresponding to the specimen in Annex 14 of "Administrative Instruction No. 11/2009 Laying down Provisions for the Implementation of the Customs Code", supplemented where appropriate by one or more forms D.V. 1 bis corresponding to the specimen in Annex 15, also of the same Administrative Instruction. This value declaration can be made only by a person established in Kosovo and in possession of the relevant facts.

Kosovo Customs may waive the requirement of a separate value declaration where the customs value of the goods in question cannot be determined under the provisions of Section 33 of the Code. In such cases the responsible person in Kosovo will furnish or cause to be furnished to Kosovo Customs such other information as may be requested for the purposes of determining the customs value under another Article of the Code; and such other information will be supplied in such form and manner as may be prescribed by the Kosovo Customs.

The lodging with a Customs office of a separate value declaration will, without prejudice to the possible application of penal provisions, be equivalent to the engagement of responsibility by the responsible person in Kosovo the:

Accuracy and completeness of the particulars given in the declaration,
Authenticity of the documents produced in support of these particulars, and
Supply of any additional information or document necessary to establish the Customs value of the goods.

Except where it is essential for the correct application of import duties, Kosovo Customs may waive the requirement of all or part of the separate valuation declaration where the:

- Customs value of the imported goods in a consignment does not exceed €10.000, provided that they do not constitute split or multiple consignments from the same consignor to the same consignee; or
- Importations involved are of a non-commercial nature; or
- Submission of the particulars in question is not necessary for the application of the TARIK or where the customs duties provided for in the TARIK are not chargeable pursuant to specific customs provisions.

Further, in the case of continuing traffic in goods supplied by the same seller to the same buyer

under the same commercial conditions, Kosovo Customs may waive the requirement that all particulars under Article 88 (1) be furnished in support of each customs declaration but will require them whenever the circumstances change and at least once every three years.

A waiver granted under this Article may be withdrawn and the submission of a D.V. 1 may be required where it is found that a condition necessary to qualify for that waiver was not or is no longer met.