



Te Mana Arai o Aotearoa

CUSTOMS FACT SHEET

New Zealand Customs Service – IMPORTANT INFORMATION

NUMBER 15 CUSTOMS VALUATION OF IMPORTED GOODS

The Customs value is used as the basis for calculating Customs duty and Goods and Services Tax. The valuation of imported goods is derived from the World Trade Organisation Valuation Agreement—this valuation system is used by major trading nations throughout the world.

What is transaction value?

This is the usual method for establishing the Customs value. The transaction value is the price paid or payable for the imported goods. Overseas freight and insurance charges (to the extent that they are included in the transaction value) are deducted to establish the Customs value.

The acceptance of transaction value by Customs is subject to certain conditions:

- There must be a sale for export to New Zealand. Goods which have not been sold for export (such as goods on consignment or supplied free of charge) cannot be valued by this method.
- It must be shown that the transaction value has not been effected by any relationship between the importer and supplier.

The transaction value can also be adjusted by the addition of other charges including commissions, assists (materials supplied by the importer), packing costs, proceeds of resale accruing to the seller, inland freight charges (paid to the seller), and royalties.

Are there alternative methods for determining the Customs value?

Where the transaction value cannot be used, there are alternatives for determining the Customs value:

- Identical or similar goods value—the transaction value of identical or similar goods sold for export to New Zealand.
- Deductive value—the sale price of the goods in New Zealand adjusted for costs incurred after shipment.
- Computed value—value based on cost of production, general expenses and profits in country of origin relating to the imported goods.
- Residual valuation—value determined by Customs based on flexible interpretation of all the previous methods.

Are there methods of valuation that cannot be used?

- Price of similar goods produced in New Zealand.
- Price of same goods sold for export to another country or on the domestic market of the country of exportation.
- Minimum Customs values.
- Arbitrary or fictitious values.

What rate of exchange is used to determine Customs value in New Zealand dollars?

The Customs value is required in New Zealand dollars. Where the invoiced amount is not in New Zealand dollars, it will be converted at the exchange rate in force on the date the import entry or clearance document is lodged at Customs. Under Section 62 of the Customs and Excise Act 1996, the New Zealand Customs Service determines exchange rates which are set for a two-week period. Customs exchange rates are available from the Customs website www.customs.govt.nz or by contacting the Customs National Call Centre on 0800 428786.

How long do I need to keep import documentation?

Most imported goods are cleared electronically through the Customs Import Entry Clearance computer system. This system relies on the declaration of the importer/agent confirming the information provided.

The New Zealand Customs Service does not keep documents presented at the time of clearance.

In order to be satisfied of the correctness of information provided by the importer/agent, Customs carries out a programme of post-entry audits. The importer is therefore required to keep all relevant commercial documents for seven years after they have been entered, and to produce these to Customs as required. It is an offence not to keep these records. Administrative penalties and fines may apply where incorrect Customs values are declared.

Where can I get further information about Customs value?

If you are unsure about the Customs value of goods you are importing, or if you require further information about Customs value, contact your nearest office of the New Zealand Customs Service, visit the Customs website www.customs.govt.nz, or Call Customs on 0800 428786.

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