

Practical Guide

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# Calculation of customs value

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2<sup>nd</sup> edition  
Mar. 2020



# Practical Guide

## Calculation of customs value

### Warning

This guide and its content are purely informational and are subject to the general terms of use published on the [Single Window for Logistics portal](#).

### Who is this practical guide for?

This practical guide is targeted at anyone who purchases or resells merchandise internationally, and who must calculate the value to declare to customs for an import or export.

### Why must one calculate a customs value?

Customs value is used as the basis of calculation:

- to determine the amount of duties and taxes due on import of goods (customs duties, import VAT, anti-dumping duties, etc.)
- for the amount of guarantee to provide for tax and duty-suspended [suspensive customs procedures](#)
- for calculating export refunds, as part of the common agricultural policy of the European Union (EU).

It also allows to establish import and export international trade statistics, and is used to analyze and implement commercial policy measures.

Attention: the tax basis of the import VAT due is calculated on the customs value to which certain elements must be added.

### How is a customs value calculated?

The customs value of goods purchased or sold is based on the price effectively paid or to be paid (transaction value). This practical guide explains the practical method of determining the transaction value and, in particular:

- conditions to meet in order to apply the transactional value
- the transaction value to use in the case of chain sales or use of a customs warehouse
- what fees should be included or excluded from the transaction value to obtain the customs value
- what fees should be added to the customs value to obtain the tax basis of the import VAT.

## What transaction value to use in cases of chain sales prior to import or sales within customs warehouse?

The following conditions must be met in order to apply the transaction value method:

- there must be a sale between a seller and a buyer of the imported goods
- there must be an export transaction from a third country and, symmetrically, an import transaction on the EU customs territory
- the price paid or to pay must relate to the imported goods and must be objectively available or calculable

The transactional value method does not apply in the following cases:

- when there are restrictions on the sale or the use of the goods by the buyer, other than those that
  - are imposed or required by law or by public authorities in the European Union
  - limit the geographical region in which the goods may be resold
  - do not substantially affect the value of the goods,
- when the sale or the price are subject to conditions or services whose value cannot be determined with respect to the goods to evaluate
- when a portion of the proceeds from any resale, sale, or later use of the goods by the buyer returns directly or indirectly to the seller, unless an appropriate adjustment can be made
- when the buyer and the seller are related. If they are related, the transactional value may however be allowed if the following provisions are complied with (Article 134 of Implementing Regulation 2015/2447).

Persons are considered as related when one of the conditions specified in Article 217 of Implementing Regulation 2015/2447 is met (for example, persons belonging to management, or the Board of Directors of the other legal entity, or are partners of each other, etc.)

The existence of a relationship between a seller and a buyer cannot alone be considered an adequate reason for rejection of the transactional value method. If there is any doubt, customs will examine the specific circumstances of the sale.

If such a relationship does exist, it is important to account for the influence exercised on the price paid or to pay. If such a relationship influences the price paid or to pay, or if the customs authorities have any doubts, the declarer has the right to contest these doubts in compliance with Article 134 of Implementing Regulation 2015/2447. In the case of a negative ruling following the usage of this right, the customs value cannot be calculated using the transactional method. It must therefore be declared on the basis of an alternative method.

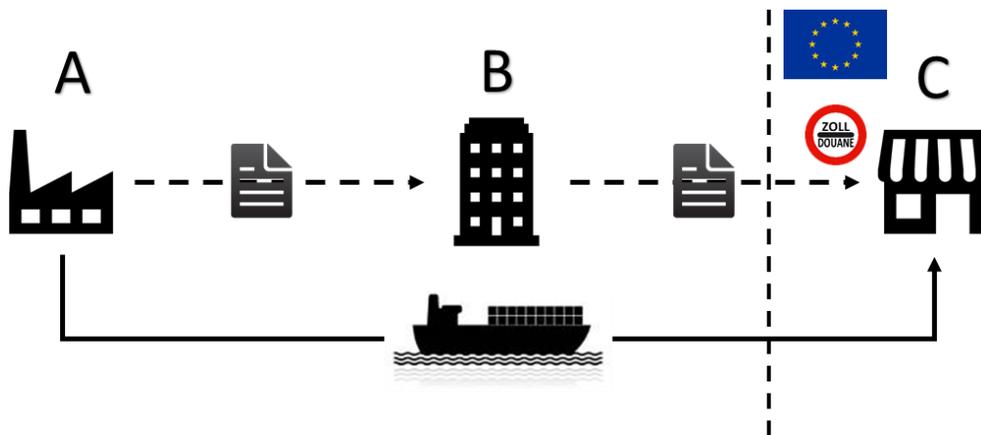
### Chain transactions on import

The transaction value to use for calculating the customs value is the **price effectively paid or to be paid** for goods **when they are sold for export to the EU customs territory**. The price to use is the one corresponding to the sale that occurred **immediately before the introduction** of the goods in the EU customs territory.

#### Examples:

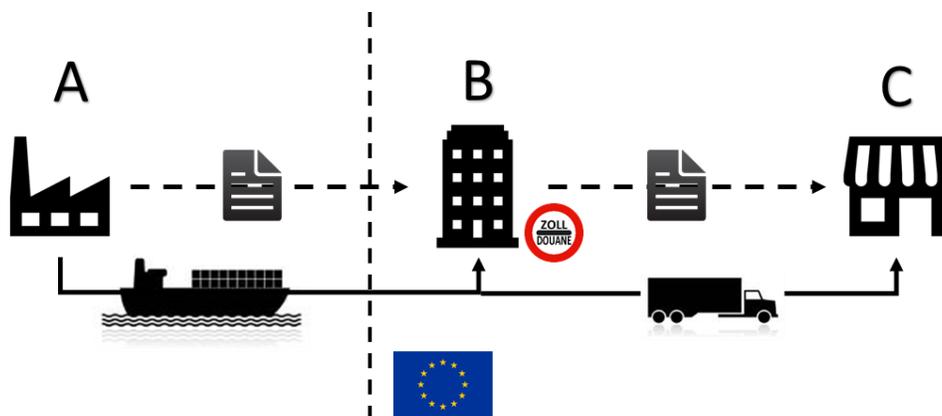
In the diagram shown below, A sells goods to B who in turn resells them to C.

The sale price between B and C must be used to determine the customs value since it corresponds to the sale that occurred immediately before the introduction of the goods in the EU customs territory.



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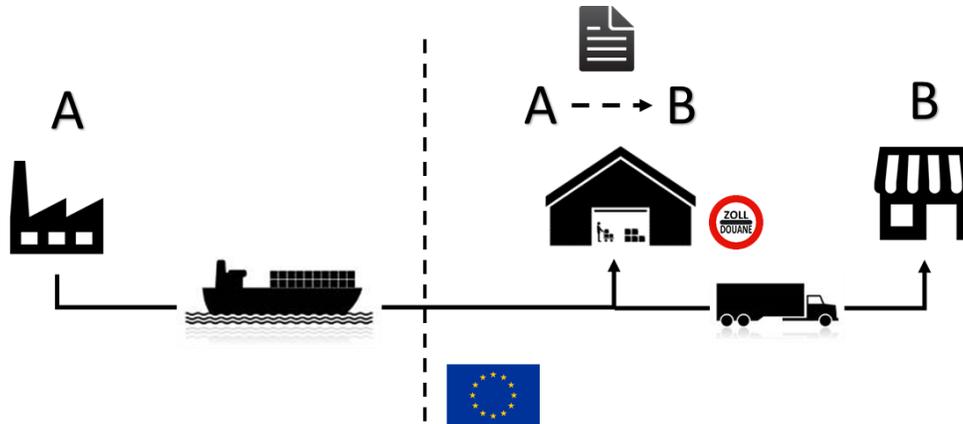
## Sales in customs warehouse

When goods are placed in a **customs warehouse** without a sale occurring prior to their introduction in the customs territory, and when the sale took place when the goods were stored in the warehouse, the **transaction value is based on the price of that sale**.

### Examples:

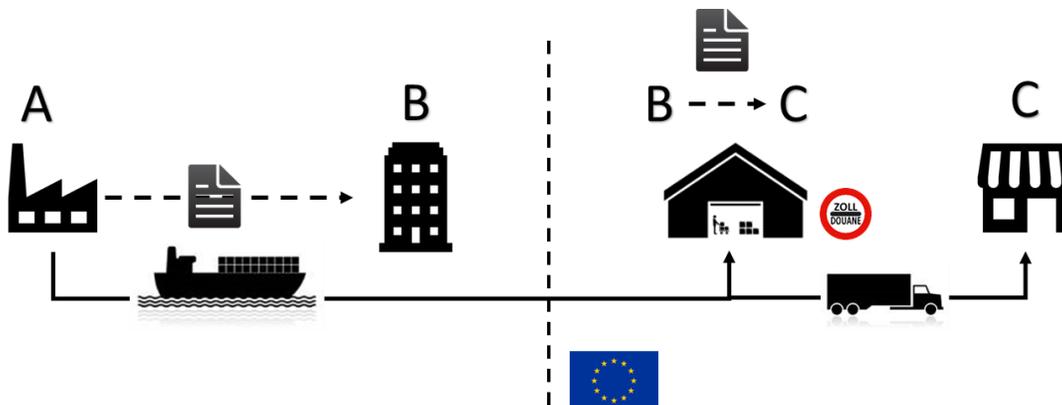
In the diagram shown below, A transfers goods belonging to them in a customs warehouse, and sells them to B while they are stored there.

The sale price between A and B must be used to determine the customs value since the sale occurred in the customs warehouse since there is no sale before the introduction in the Union territory.



In the diagram shown below, A sells goods to B who immediately places them in a customs warehouse, then B sells them to C while they are stored there.

The sale price between A and B must be used to determine the customs value since it corresponds to the sale occurring immediately before the introduction of the goods in the EU customs territory.



## What fees should be included or excluded from the customs value?

The transactional value must take into account all payments already made (direct and indirect), in whatever form. Such elements are not necessarily shown on the final commercial invoice of the seller or producer of the imported goods.

The customs value must moreover include some fees if they are not already included in the transaction value (Article 71 of the Union Customs Code - UCC), in compliance with the terms governing the transaction (order for the goods). It must also exclude certain fees if they are included in the transactional value (Article 72 of the CCU).

These include the following:

|   |   |
|---|---|
| <b>For imports and exports:<br/>Ancillary insurance and transport fees up to the 1<sup>st</sup> point of entry into or exit from the EU</b>   |   |
| The customs value in principle is linked to the conditions of delivery, and it corresponds to the value of the goods delivered under conditions set by the Incoterms® rules CIP/CIF/DAP/DPU point of entry or exit at first EU border.<br>The calculation will therefore depend on the Incoterm used -> For more information please see our page on <a href="#">Incoterms® rules</a> and our comments below |   |
| These fees must be added to the transaction value if...   | they are not included in the transaction value.<br>Example: Incoterms® <a href="#">rules</a> “on departure” (EXW, FCA, FOB, etc.)   |
| They must not be added to the transaction value if...   | they are already included in the transaction value<br>Example: Incoterms® <a href="#">rules</a> “on arrival” (DAP, DPU, DDP)  |
| Attention   | Fees for transport from the point of entry in the EU and up to the 1 <sup>st</sup> destination in the EU must be deducted from the customs value BUT they must be added back when calculating the import VAT due<br>Example: Incoterms® DAP, DPU or DDP Contern |

### ➤ Point of entry, or place of introduction

This is, in theory, on the outside border of the EU customs territory. This place however may be defined differently depending on the method of transport used (Article 137 of Implementing Regulation 2015/2447):

- for maritime transport: the port where the goods first arrive in the EU customs territory
- for rail transport, by navigable route or road: location of the customs office of entry
- for other modes of transport (including air): place of border crossing into the EU customs territory

### ➤ Delivery conditions/Incoterms® rules

Set out in the Incoterms® rules, the delivery conditions determine whether, as part of the sale, the costs for delivery are borne by the buyer or the seller. To calculate the customs value, the Incoterms® rules may be divided into four groups, as follows:

- Group E Incoterms® rules: EXW or from the factory

Delivery fees “from the factory” are not included in the price paid or to pay by the buyer. Therefore, these costs must be added to the purchase price paid or to pay, up to the place of entry in the Union customs territory.

- Group F Incoterms® rules

This group contains the Incoterms® rules FCA (free carrier), FAS (free alongside ship) and FOB (free on board).

A portion of the delivery fees up to the place of entry in the European Union is not included in the price paid or to be paid by the buyer. Therefore, the delivery fees must be added for the primary carriage and any other fees up to the place of introduction in the European Union.

In the case of an FOB delivery, these are for example fees for maritime transport to the port of destination in the European Union. Insurance fees are only taken into account when an insurance policy for the delivery is effectively held and when the related costs are the buyer's responsibility. In theory, the Group F Incoterms® rules do not include transport insurance.

➤ Group C Incoterms® rules

This group includes Incoterms® rules CPT (carriage paid to ...), CIP (carriage and insurance paid to ....), CFR (cost and freight ...) and CIF (cost insurance freight ...).

The seller assumes delivery fees to the place/port of destination. This latter is also, in general, the place of introduction in the European Union.

Concerning CPT and CFR Incoterms® rules, one must also verify whether the buyer holds an insurance policy for delivery, and it must be added to the price paid or to pay.

Concerning the CIP and CIF Incoterms® rules, all the delivery costs have already been included in the price paid or to pay and it is thus not necessary to add them.

When the destinations are located within these lands, beyond the point of entry in the Union, the costs of interior delivery may be deducted if they can be established objectively. On the other hand, the costs of transport of a "continuing" cargo that are invoiced at a flat rate may be divided into the transport made outside and that made inside the Union, prorated on the transport made. The approach described above is subject to the condition that the transport made uses a single mode or means of transport. If such is not case, for example in the case of multi-modal transport, for example, all costs must be included.

➤ Group D Incoterms® rules

This group includes the Incoterms® rules DAP (delivered at place), DPU (delivered unloaded) and DDP (delivered duty paid).

For the D Group Incoterms® rules, the delivery fees are theoretically delivery to the point of destination. In general, these include a location beyond the point of entry in the Union and are included in the price paid or to pay. The expenses to deduct are the same as those described above for the Group C Incoterms® rules.

➤ Air transport fees

Air transport fees are subject to specific rules. The costs to include in the customs value are based on the table shown in Appendix 23-01 of [Implementing Regulation 2015/2447](#). In this table, the third countries are divided into regions and the airports located therein. The table indicates the corresponding percentages of air transport fees that need to be added to or subtracted from the customs value, depending on the delivery conditions defined in the contract.

For example, to determine the customs value for a delivery in the European Union of goods originating in Chicago (US Zone A)

- 70% of the air transport fees must be added in the case of the sale under Incoterms® rule EXW
- 30% of the air transport can be deducted in the case of a sale under Incoterms® rule DAP.

For the conversion into euros of the air transport fees expressed in foreign currencies, the following method must be applied:

- for prepaid charges (transport fees paid in advance or payable upon departure), the conversion must be made according to the currency exchange rate applicable at the time of import.  
For collect fees (payable upon arrival), the conversion is made using [IATA](#) (International Air Transport Association) exchange rates, unless it is shown that the official conversion rate was contractually defined.

### ➤ Loading fees

Loading fees, such as those for loading, unloading, and transshipment to the point of entry in the European Union must be added to the price effectively paid or to pay if the invoiced price of the imported goods does not yet contain these fees (to verify in the delivery agreement between the seller and the buyer).

Fees related to the entry in the European Union are not included in determining the customs value. These are, for example, fees for unloading and transshipment at the receiving dock, as well as demurrage of goods arriving by ship at the place of introduction in the EU.

### ➤ Fees linked to export certificates, certificates of origin and other documents

Payments made as part of applications for export certificates, certificates of origin, and other documents are also separate from the purchase price when they are indicated separately on the invoice. These fees must be taken into account in determining the customs value at the time of clearance.

**Example:**

| <b>Calculation of customs value</b>   |                     |
|---|---------------------|
| <b>Import of goods purchased under Incoterm® FOB Shanghai, unloaded in Antwerp and delivered in Luxembourg</b>  |                     |
| Invoice value   | <b>EUR 12,000</b>   |
| + Cost of maritime transport  | <b>+ EUR 500</b>    |
| (Cost of transport Belgium -> Luxembourg)   | (not included)      |
| Customs value   | <b>= EUR 12,500</b> |
| <i>The cost of transport up to the first point of entry in the EU customs territory is added to the transaction value, but not the cost of transport after entry in the EU.</i> |                     |

| <b>Import of goods purchased under Incoterm DDP Contern, unloaded in Antwerp and delivered in Contern in Luxembourg</b>         |                     |
|---|---------------------|
| Invoice value   | <b>EUR 12,000</b>   |
| (Cost of maritime transport)  | (already included)  |
| - Cost of transport Belgium -> Contern  | - EUR 170           |
| Customs value   | <b>= EUR 11,830</b> |
| <i>The cost of transport after the first point of entry in the EU customs territory is deducted from the transaction value.</i> |                     |

| <b>Export of goods sold under Incoterm EXW Contern, delivered in Geneva in Switzerland, that crosses the border at Saint-Julien-en-Genevois (France)</b> |                     |
|--|---------------------|
| Invoice value  | <b>EUR 12,000</b>   |
| + Cost of road transport Contern -> Saint-Julien-en-Genevois   | + EUR 300           |
| (Cost of transport Saint-Julien-en-Genevois -> Geneva)   | (not included)      |
| Customs value  | <b>= EUR 12,300</b> |
| <i>The cost of transport up to the first point of exit from the EU customs territory is added to the transaction value.</i>                              |                     |

| For imports and exports:<br>All payments effectively made or to be made to the seller |  |
|---|--|
| These must be added to the transaction value if...                                    | <p><b>they are a condition of sale of imported or exported goods</b></p> <p>This includes advance payments and indirect payments to third parties to the benefit of the seller, including commissions paid on any sale and brokering fees that would be subject to a separate invoice from that of the goods</p> <p>This also includes any <b>costs of analysis</b> carried out to verify compliance of the products with the national regulation of the country of import, if the seller is contractually required to deliver a product that is compliant with that regulation. This also includes guarantees and/or optional guarantees provided by the seller or a third party, invoiced separately.</p>  |
| They must not be added to the transaction value if...                                 | <p><b>they do not represent a payment to make to the seller</b></p> <p>This excludes <b>buying commissions</b>, that would remunerate a service supplied to the seller, as well as <b>the interest amounts paid in respect of a financing agreement</b> entered into with the purchaser and relating to the purchase of the imported goods. To achieve this, the amount of interests must be separate from the price effectively paid for the goods, and there must be a written financing agreement and the interest rate must correspond to commonly used rates.</p> <p><b>Price reductions</b> can be taken into account if they are <b>known at the time of customs clearance</b>.</p> <p>The quality controls conducted at the buyer's expense should not be added to the transactional value. "Quality controls" refers to the</p> |

|  |   |
|--|---|
|  | controls conducted to guarantee proper functioning or compliance with specifications. |
|--|---|

#### ➤ Buying commissions

Buying commissions are not part of the price is effectively paid or to pay if they are indicated separately on the invoice issued by the seller or by buying agents. It is thus not necessary to know whether the invoice comes from the seller or from the buying agent. The simultaneous existence of two separate invoices, one from the seller and the other from the buying agent, is also authorised.

It is important to comply with the basic rule that facts must be objectively established and demonstrable. The proof that a buying agent is acting for a buyer in the European Union is often in the form of a contract with a framework and a relevant purpose. The contract must be negotiated prior to the initiation of services by the buying agent. The tasks normally carried out by a buying agent may be:

- searching for suppliers of the products sought by the buyer
- providing product specifications to suppliers
- acquiring samples for the buyer to inspect
- assisting the buyer in price negotiations
- providing assistance for insurance, transport, and delivery of the goods
- consolidating shipments from different sellers
- preparing invoices for the purchased supplies.

According to the criteria listed above, the Customs Administration may determine that separately declared commissions are actually buying commissions. On the other hand, selling commissions and brokering fees must be included in the customs value. It is thus necessary to precisely define the framework in which the buying agent is acting.

#### ➤ Price reductions

In general, price reductions must be taken into account when they are already agreed-upon or acquired at the time of customs clearance.

- A **discount** is a price reduction for short-term payments. Any discount shown on an invoice, that was already claimed by the buyer at the time of clearance, must be recognised. A discount mentioned in an invoice that has not been claimed at the time of clearance is also allowed by customs, regardless of whether the buyer makes effective use of it or not. However, a discount that is not yet been requested prior to the clearance of the goods is only recognised by customs when the buyer can show that the payment was carried out in compliance with the terms of the discount.
- Other price reductions must be taken into account when they are already agreed upon between the seller and buyer on the date of clearance. It may be, for example, a **quantity rebate applied over a specific time period**. In this regard, it is important that the reason for the rebate or price reduction granted and the method of calculation are objectively verifiable.

#### ➤ Profit sharing

Any gains linked to reselling, selling, or subsequent use of the imported goods, that directly or indirectly return to the seller, must be included in the calculation of the customs value at the time of clearance. They must be objectively demonstrated by agreements existing prior to clearance.

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**Example:**

Importer A orders goods from Producer B (value equal to EUR 1,000), under Incoterm® DPU Antwerp. The importer requires, as a condition of its orders, that the products ordered are compliant with laws applicable to this type of products in Luxembourg.

Company C intervenes in the country of production to verify the compliance of the products with the said Luxembourg laws (product compliance inspection by C: EUR 200).

Company D also intervenes to verify the quality of the sourcing process of Producer B (sourcing process compliance inspection by D: EUR 200).

On the proceeds from the sale of the imported products, an additional amount of EUR 1,000 returns to the seller.

The invoice from B indicates a 2% discount on payment within eight days of delivery of the products.

| Calculation of customs value |                    |
|------------------------------|--------------------|
| Transaction value            | <b>EUR 1,000</b>   |
| + Inspection by C*           | <b>+ EUR 200</b>   |
| (inspection by D) **         | (not included)     |
| - Discount for rapid payment | <b>- EUR 20</b>    |
| <b>Customs value</b>         | <b>= EUR 1,180</b> |

\* since the compliance of the products is a condition of the sale of the goods

\*\* since the quality of sourcing is not a condition of the sale of the goods

| For imports and exports:<br>The price of containers and packaging |  |
|---|--|
| These must be added to the transaction value if...                | their cost is <b>paid by the purchaser</b> and is not included in the <b>price of the imported goods</b> even if they are classified for customs purposes as the goods in question |
| These must not be added if...                                     | They are means of transport: container, accessory transport materials  |

➤ Container costs

If the containers are classified with the imported product, their costs must be added to the purchase price effectively paid or to pay. To do this, the seller of the goods must indicate these costs separately in their invoice, if they are not already included in the price effectively paid or to pay. When there is no indication of such costs in the invoice, it is presumed that these costs are already incorporated in the price invoiced.

➤ Packaging costs

If the packaging costs are already included in the price that was effectively paid or to pay, it is not necessary to change the custom value. The packaging costs, as well as the cost of materials and labour, however, must be added if they are mentioned separately on the seller's invoice.

**Example:**

Importer A orders goods from Producer B (value equal to EUR 1,000), under Incoterm® DPU Antwerp. B packages the goods in specific containers, intended to accompany the goods but whose price is not included in the initial order and will be subject to separate invoicing (with a value of EUR 150).

| Calculation of customs value |                    |
|------------------------------|--------------------|
| Transaction value            | <b>EUR 1,000</b>   |
| + Packaging                  | <b>+ EUR 150</b>   |
| <b>Customs value</b>         | <b>= EUR 1,150</b> |

| For imports:<br>The costs of working/processing not included in the sale price |   |
|--|---|
| These must be added to the transaction value if...                             | they were undertaken <b>for the preparation of the imported goods</b> and they were <b>not included in the sale price</b> of the imported goods   |
| These must not be added if...  | the working/processing occurs after the importation therefore, if the price of the imported goods includes the cost of their installation in the EU, the cost of installation must be deducted from the customs value |

**Example:**

Importer A orders goods to install from Producer B (with a value of EUR 1,000), under DAT Antwerp conditions.

B intervenes for the installation of the products in Luxembourg (installation value included in the invoice: EUR 200).

A asks C to intervene for final work on the products in the country of production. C invoices its intervention directly to A (for an amount of EUR 100).

| Calculation of customs value |                  |
|------------------------------|------------------|
| Transaction value            | <b>EUR 1,000</b> |
| - installation in the EU     | <b>- EUR 200</b> |
| + work done by C             | <b>+ EUR 100</b> |
| <b>Customs value</b>         | <b>= EUR 900</b> |

| For imports:<br>Any assistance brought in the production of goods in a third country (materials, molds, cutout patterns, etc.)* |  |
|---|--|
| These must be added to the transaction value if...  | they are <b>provided free of charge or at a reduced price</b> to the manufacturer of the imported goods, and are <b>not included in the price</b> of the goods and they are <b>used in the manufacturing process</b> |

|                               |  |
|-------------------------------|--|
| These must not be added if... | they are sold at a normal price to the manufacturer of the imported goods<br>or they are not used in the manufacturing process |
|-------------------------------|--|

➤ This concerns:

- the materials, components, parts and similar elements incorporated in the imported goods
- the tools, matrices, molds and similar objects used to produce the imported goods
- the materials used to produce the imported goods.

| For imports:<br>Works of engineering, studies, art and design plans and sketches undertaken outside of the EU * |  |
|---|--|
| These must be added to the transaction value if...  | They are <b>provided free of charge or at a reduced price</b> to the manufacturer of the imported goods, and are not included in the price of the goods<br>and the services were supplied by a <b>service provider established outside of the EU</b><br>and they are <b>necessary for the production</b> of the imported goods |
| These must not be added if...   | The work is sold at a normal price to the manufacturer of the imported goods<br>or the services were supplied by a service provider established in the EU<br>or they are not necessary for the production of the imported goods  |

\* In practice, the value to add will be added on the price of the imported goods in any of the following ways: Either the importer adds the total value once on the first importation; or the importer adds the value on successive importations, depending on the quantities already produced or the totality of the estimated production if contracts or firm commitments exist for that production.

**Example:**

Importer A orders goods from Producer B (with a value of EUR 1,000), under DPU Antwerp conditions.

A purchases a mold from an Italian manufacturer (with a value of EUR 500), that it delivers to B who will use it in its manufacturing process.

A also provides detailed drawings prepared by a service provider in Switzerland (with a value of EUR 200) describing the steps of production of the products as well as the products themselves.

A also provides B with a quality charter prepared by a Norwegian firm specifying the criteria that the manufacturers of A must meet (with a value of 200 EUR).

| Calculation of customs value                      |                           |
|---|---------------------------|
| Transaction value                                 | EUR 1,000                 |
| + value of mold provided                          | <b>+ EUR 500</b>          |
| + value of drawings provided<br>(quality charter) | <b>+ EUR 200</b>          |
|   | (Not taken into account)* |
| <b>Customs value</b>                              | <b>= EUR 1,700</b>        |

\* since it is not necessary for the production of the goods

| For imports:<br>Royalties and license fees, including trademark royalties |  |
|---|--|
| These must be added to the transaction value if...                        | they are a <b>condition of the sale</b> (the buyer must pay for them directly or indirectly)<br>they are <b>directly related to the imported goods</b><br>and they are <b>not taken into account in the price</b> of the goods   |
| These must not be added if...   | They are included in the price of the goods or the amounts paid remunerate a supply of services such as the training of the workers of the licensor enabling the use of the manufacturing machines or the control of the manufacturing process<br>or if they are not a condition of the sale between the manufacturer/seller of the imported goods, and the importer |

#### ➤ Distribution fees

In many cases, the buyer makes payments to the seller for distribution or exclusive distribution linked to the imported goods, often designated under the generic name “license/license fees”.

From a customs point of view, these payments are not “royalties or license fees” in the customs meaning of the term, but must thus be evaluated as payments separate from the sale transaction. These payments, when they are subordinate to the sale of imported goods, must be taken into account, and added, when determining the transactional value of imported goods.

#### ➤ Royalties and license fees

License fees are part of the customs value and must be added to the price effectively paid or to pay when they are compliant with the definition and the conditions established by Article. 71 of the UCC and Article 136 of Implementing Regulation 2015/2447.

- The main rule in this regard is that the “royalty or license fee” must cover fees, such as the use fees, fees on drawings and models, fees on manufacturing know-how, product brand, or copyrights and/or fees on manufacturing processes.
- If such is not the case, it is often not a matter of “royalty or license fee”, but of a separate element of the purchase price. These amounts on which the purchase price is based should be included in the calculation of the customs value, but they are not “royalties or license fees”, in the customs meaning.
- Other criteria that give rise to the presumption of royalties and license fees are the existence of a contractual obligation of a direct or indirect payment from the buyer to the seller or to a third person (license holder) with the understanding that these fees are a condition precedent to the conclusion of the sale, and that the royalty or license fee are indeed connected with the goods evaluated.

#### ➤ Reproduction fees

It is possible to exclude from the customs value

- the reproduction fees concerning media such as master tapes, film reels, DVDs
- even special distribution fees and other similar fees bearing on the « media » that are reproduced in the European Union after customs clearance.

These reproduction fees however must be designated separately on the seller’s invoice, in order to not be considered as an element to add in the calculation of customs value. Moreover, the request for exclusion of reproduction fees must be supported by a contract existing between the two parties.

**Example:**

Importer A orders goods from Producer B (with a value of EUR 1,000), under DPU Antwerp conditions.

A must pay, as a condition for manufacturing the products under the trademark used, a royalty to an American group (with a value of EUR 500), EUR 100 of which is used to cover the costs of training of the workers involved in the manufacturing process.

| <b>Calculation of customs value</b>                       |                    |
|---|--------------------|
| Transaction value   | EUR 1,000          |
| + value of royalty  | <b>+ EUR 500</b>   |
| - portion of the fee dedicated to the training of workers | <b>- EUR 100</b>   |
| <b>Customs value</b>                                      | <b>= EUR 1,400</b> |

**What fees must be included in order to calculate the import VAT?**

The import VAT is calculated on the basis of the customs value, calculated by taking into account the above principles, to which different fees must be added. These are the following fees:

- any taxes, duties, levies and other taxes due abroad
- any taxes, duties, levies and other taxes due on import, except for the VAT itself
- any ancillary fees, such as commissions, packaging, transport and insurance fees incurred up to the first place of destination of the goods within the country or the EU. If, at the time of import and in the light of the transport documents, the 1<sup>st</sup> place of destination:
  - is known, the fees shall be added up to this first place of destination
  - is not known, the 1<sup>st</sup> place of destination is assumed to be the place of the first bulk breaking within the country.

**Example:**

Importer A orders goods from Producer B (value equal to EUR 1.000), under Incoterm® DPU Antwerp. The goods shall be directly delivered to Contern after their import (value of EU transport and ancillary fees: EUR 200).

The order is accompanied by the following:

- A requires, as a condition of its order, that the products ordered are compliant with laws applicable to this type of products in Luxembourg. Company C intervenes in the country of production to verify compliance of the products with the said Luxembourg laws (product compliance inspection by C: EUR 200).

- A purchases a mold from an Italian manufacturer (with a value of EUR 500), that it delivers to B that will use it in its manufacturing process.
- A asks C to intervene for final work on the products in the country of production. C invoices its intervention directly to A (in the amount of EUR 100)
- B packages the goods in specific containers, intended to accompany the goods but whose price is not included in the initial order and will be subject to separate invoicing (with a value of EUR 150).
- A must pay, as a condition for manufacturing the products under the trademark used, a royalty to an American group (with a value of EUR 500), EUR 100 of which is used to cover the costs of training of its workers involved in the manufacturing.
- the invoice from B, concerning the goods, indicates a 2% discount for payment within eight days of delivery of the products.
- the imported products bear a customs duty rate of 4.7%, without preferential origin.

| <b>Calculation of customs value</b>                   |                     |
|---|---------------------|
| Transaction value                                     | EUR 1,000           |
| + Verification of product compliance                  | <b>+ EUR 200</b>    |
| + mold provided                                       | <b>+ EUR 500</b>    |
| + working/processing by C                             | <b>+ EUR 100</b>    |
| + packaging   | <b>+ EUR 150</b>    |
| + royalty   | <b>+ EUR 500</b>    |
| - portion of the fee dedicated to training workers    | <b>- EUR 100</b>    |
| - discount for rapid payment                          | <b>- EUR 20</b>     |
| <b>Customs value</b>                                  | <b>= EUR 2,330</b>  |
| <b>Customs duties due (4.7%)</b>                      | <b>EUR 109.51</b>   |
| <b>Calculation of the tax basis of the import VAT</b> |                     |
| Customs value   | EUR 2,330           |
| + Customs duties                                      | EUR 109.51          |
| + EU transport and ancillary fees                     | EUR 200             |
| <b>VAT taxation base</b>                              | <b>EUR 2,639.51</b> |
| <b>Vat due (17%)</b>                                  | <b>EUR 448.72</b>   |

[For further information](#)

[Guidance on customs value published by the European Commission.](#)