**Cases where Customs administrations have reasons to doubt the truth or accuracy of the declared value.**

The Committee on Customs Valuation,

Reaffirming that the transaction value is the primary basis of valuation under the Agreement on Implementation of [Article VII](http://evaluation.wcoomdpublications.org/DetailsView.aspx?contentid=17) of GATT 1994 (hereinafter referred to as the “Agreement”);  
   
Recognizing that the customs administration may have to address cases where it has reason to doubt the truth or accuracy of the particulars or of documents produced by traders in support of a declared value;  
   
Emphasizing that in so doing the customs administration should not prejudice the legitimate commercial interests of traders;  
   
Taking into account [Article 17](http://evaluation.wcoomdpublications.org/DetailsView.aspx?contentid=17) of the Agreement, paragraph 6 of [Annex III](http://evaluation.wcoomdpublications.org/DetailsView.aspx?contentid=17) to the Agreement, and the relevant decisions of the Technical Committee on Customs Valuation;  
   
Decides as follows :

1. When a declaration has been presented and where the customs administration has reason to doubt the truth or accuracy of the particulars or of documents produced in support of this declaration, the customs administration may ask the importer to provide further explanation, including documents or other evidence, that the declared value represents the total amount actually paid or payable for the imported goods, adjusted in accordance with the provisions of [Article 8](http://evaluation.wcoomdpublications.org/DetailsView.aspx?contentid=17).  If, after receiving further information, or in the absence of a response, the customs administration still has reasonable doubts about the truth or accuracy of the declared value, it may, bearing in mind the provisions of [Article 11](http://evaluation.wcoomdpublications.org/DetailsView.aspx?contentid=17), be deemed that the customs value of the imported goods cannot be determined under the provisions of [Article 1](http://evaluation.wcoomdpublications.org/DetailsView.aspx?contentid=17).  Before taking a final decision, the customs administration shall communicate to the importer, in writing if requested, its grounds for doubting the truth or accuracy of the particulars or documents produced and the importer shall be given a reasonable opportunity to respond.  When a final decision is made, the customs administration shall communicate to the importer in writing its decision and the grounds therefor.

**2. It is entirely appropriate in applying the Agreement for one Member to assist another Member on mutually agreed terms.**

When a declaration has been presented and where the customs administration has reason to doubt the truth or accuracy of the particulars or of documents produced in support of this declaration, the customs administration **may** :

1. Ask the importer to provide further explanation, including documents or other evidence, that the declared value represents the total amount actually paid or payable for the imported goods, adjusted in accordance with the provisions of [Article 8](http://evaluation.wcoomdpublications.org/DetailsView.aspx?contentid=17).
2. If, after receiving further information, or in the absence of a response, the customs administration still has reasonable doubts about the truth or accuracy of the declared value, it may, bearing in mind the provisions of [Article 11](http://evaluation.wcoomdpublications.org/DetailsView.aspx?contentid=17), be deemed that the customs value of the imported goods cannot be determined under the provisions of [Article 1](http://evaluation.wcoomdpublications.org/DetailsView.aspx?contentid=17).
3. Before taking a final decision, the customs administration shall communicate to the importer, in writing if requested, its grounds for doubting the truth or accuracy of the particulars or documents produced and the importer shall be given a reasonable opportunity to respond.
4. When a final decision is made, the customs administration shall communicate to the importer in writing its decision and the grounds therefor.

*Nota bene*

* It is recommended that the communication of Customs’ grounds for doubt set out in the third step above be communicated to the importer at the first stage when further explanation is sought. *Makes no sense otherwise!!*
* It should be noted that this procedure places no obligation on the importer to explain why the declared value may differ from a value for comparative value, for example, a price recorded in a valuation database. The emphasis is to prove the total amount paid for the consignment in question.
* It follows that where a decision has been made in accordance with the above procedure that Article 1 may not be used to determine the customs value, the methodology set out in the Agreement should be followed; namely, the application of Article 2 should then be considered as the next possible basis for customs value, followed by Article 3 etc.
* As required under Article 11 of the Agreement, an importer should always be given the right to appeal against a decision of Customs, without penalty.
* As required under Article 13 of the Agreement, where it becomes necessary to delay the final determination of such customs value, an importer should be given the opportunity to withdraw his goods from Customs on provision of sufficient guarantee in the form of a surety, a deposit or some other appropriate instrument, covering the ultimate payment of customs duties for which the goods may be liable.