

DEDUCTIVE METHOD

Article 5.1(a)



If the imported goods or identical or similar imported goods are sold in the country of importation in the condition as imported, the customs value of the imported goods

- shall be based on the unit price
- at which the imported goods or identical or similar imported goods
- are so sold in the greatest aggregate quantity

Article 5.1(a)



- at or about the time of the importation of the goods being valued,
- to persons who are not related to the persons from whom they buy such goods,
- subject to certain deductions

Article 5.1(b) Time line

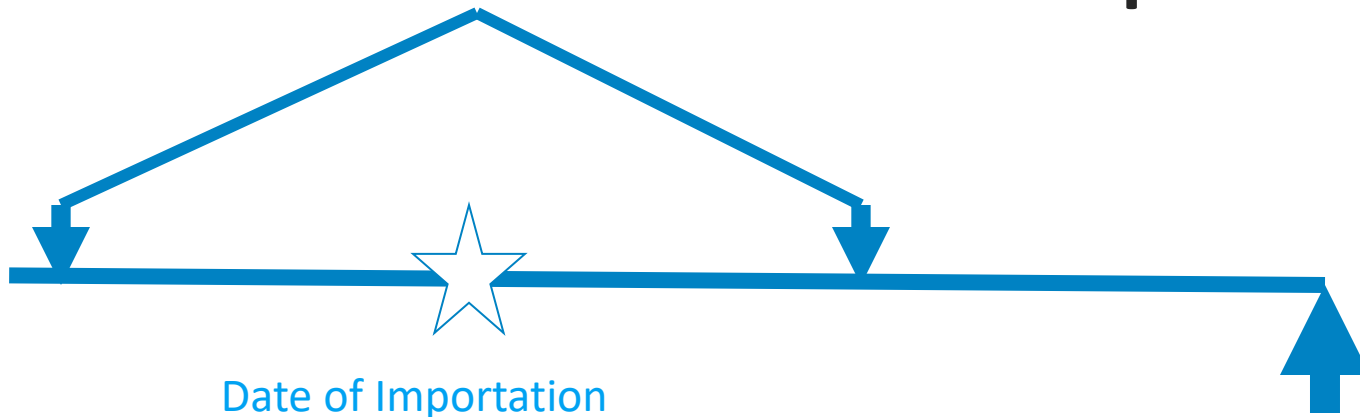


If neither the imported goods nor identical nor similar imported goods are sold at or about the time of importation of the goods being valued, the customs value shall,

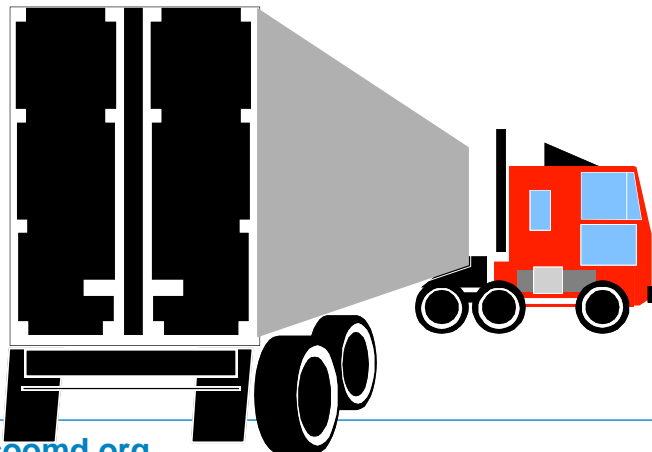
- be based on the unit price at which the imported goods or identical or similar imported goods are sold in the country of importation in the condition as imported
- at the earliest date after the importation of the goods being valued
- but before the expiration of 90 days after such importation.

Time Line

At or about the time of the importation



Maximum of 90
days after
Importation



Greatest Aggregate Quantity



- i. The price at which the greatest number of units is sold

- ii. To unrelated buyers at the first commercial level after importation at which such sales take place

Selecting the Price



Looking for sales of:

- The imported goods
- or
- Identical goods or similar goods
 - Occurring “at or about the time of the importation”
 - in the condition as imported

EXAMPLE 1



(a) Sales

Sale Qty	Unit price
40 units	100 c.u
30	90
15	100
50	95
25	105
35	90
5	100

(b) Totals

Total quantity sold per unit price

65 units	90 c.u
50	95
60	100
25	105

In this example, the greatest number of units sold at a particular price is 65;

Therefore, the unit price in the greatest aggregate quantity is 90.

EXAMPLE 2



SALE NUMBER 1	1,000 units sold at a unit price of 95 c.u each
SALE NUMBER 2	800 units sold at a unit price of 90 c.u. each

EXAMPLE 3



Qty range	Unit price	Sales number	Total Qty
1-10	100 c.u	10 sales of 5 5 sales of 3	50 <u>15</u> 65
11-25	95 c.u	5 sales of 11	55
Over 25	90 c.u	1 sales of 30 1 sales of 50	30 <u>50</u> 80

Deductive Value



Deductive expenses or costs

EITHER Commissions or Profit & general expenses

Cost of transport and insurance and associated costs incurred within the country of importation

Costs included under Article 8.2 e.g loading, unloading and handling charges, where appropriate

Customs duties and taxes payable in the country of importation

Customs Value



	C.U	C.U
Sales Price		110
<u>less</u>		
Commission	11	
Inland Freight & Ins	05	
Customs Duty	16	(32)
Customs Value		<u>78</u>

Super deductive method - Article 5.2



- If neither the imported goods nor identical nor similar imported goods are sold in the country of importation in the condition as imported, then,
- if the importer so requests, the customs value shall be based on the unit price at which the imported goods, after further processing,
- are sold in the greatest aggregate quantity to persons in the country of importation who are not related to the persons from whom they buy such goods, due allowance being made for the value added by such processing and the deductions provided for in paragraph 1 (a).



**World Customs
Organization**

Thank you

