

वित्त मंत्रालय / Ministry of Finance  
राजस्व विभाग / Department of Revenue  
सीमा शुल्क आयुक्त कार्यालय / Office of the Commissioner of Customs  
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**PUBLIC NOTICE NO. 40 /2017**

SUB : Amendment to Customs Valuation Rules – Notification No. 91/2017 (NT) dated 26.9.17 –reg.

Attention of the Exporters, Importers, Custom Brokers, Trade and Public and all concerned are invited to the Board Circular No. 39/2017-Customs, dated 26th September 2017 on the above mentioned subject.

2. The valuation of imported and export goods is governed by the provisions of Section 14 of the Customs Act, 1962 and the rules made thereunder. The Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 (CVR) contains the detailed provisions for arriving at the transaction value of the imported goods, on which the customs duty is levied.

3. Certain provisions of the CVR in light of Supreme Court's ruling in the case of M/s Wipro Ltd. Vs. Assistant Collector of Customs - 2015 (319) ELT 177 - S.C dated 16/04/2015 had been examined by the Board and after public consultations, the Government has amended the CVR vide Notification 91/2017 Customs (N.T) dated 26th September, 2017, as explained below:

**Definition of the term 'place of importation:-**

4.1 The term "place of importation" has been used in the CVR; however, the term was not defined. To bring in clarity, the "place of importation" has been defined as: "Place of Importation" means the customs station where the goods are brought for being cleared for home consumption or for being removed for deposit in a warehouse"

4.2 In view of the above definition, the transaction value of the imported goods in terms of section 14 of the Customs Act, 1962 would include the costs incurred up to the place of importation, as defined above.

**Treatment of the loading, unloading and handling charges:-**

5.1. The Hon'ble Supreme Court had ruled in the case of M/s Wipro Ltd. Vs Assistant Collector of Customs-2015 (319) ELT 177 (S.C.) dated 16/04/2015 that the landing charges to be added to

the value of goods, should be based on actual charges incurred, and not a notional charge of 1% as has been provided in the Rules.

5.2. By virtue of the amendment carried out to the CVR, 2007, the loading, unloading and handling charges associated with the delivery of the imported goods at the place of importation, shall no longer be added to the CIF value of the goods.

5.3 The phrase "loading, unloading and handling charges" appearing in the amended Rule 10 (2) (a) is to be understood in context of Article 8(2) of the WTO Agreement which reads as "the cost of transport of the imported goods to the port or place of importation". Thus, only charges incurred for delivery of goods "to" the place of importation (such as the loading and handling charges incurred at the load port) shall now be included in the transaction value.

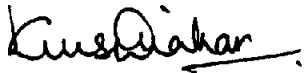
**Computation of freight and insurance:-**

6. Now, the 2nd and 4th provisos to Rule 10 (2) impart more clarity in computation of transport and insurance charges, when actuals of each individual element are not known, but the cumulative value of FOB and freight, or, FOB and insurance charges are known.

**Treatment of trans-shipment costs:-**

7. In the erstwhile 4th proviso to Rule 10(2), while the trans-shipment charges with respect to a container being moved from port to an ICD and CFS were excluded from the transaction value of the goods, there was no mention of a similar treatment to transshipment of goods by sea or air. Now, by virtue of the 6th proviso to Rule 10 (2), costs related to trans-shipment of goods (from ports to ICDs; port to port, port to CFS, Airport to Airport etc.) within India will be excluded, providing uniform treatment to different modes of trans-shipment.

8. Difficulty, if any may be brought to the notice of this Office.

  
(क.वी.वी.जी. दिवाकर/K.V.V.G. DIWAKAR)  
आयुक्त/COMMISSIONER

C.No.VIII/48/06/2016-Cus.Pol.  
Customs Policy Section,  
Custom House, Tuticorin.  
Date: 31.10.2017

To  
All Trading Public  
Notice Board,  
EDI Section, Custom House, Tuticorin - for uploading in the website

Copy submitted to:-  
The Chief Commissioner of Customs (Preventive), Trichy.