

ZIMBABWE

ZIMBABWE REVENUE AUTHORITY

CUSTOMS VALUATION MANUAL

FOREWORD

The package of agreements concluded in 1979 under the Tokyo Round of the GATT Multilateral Trade negotiations included a new international code for Customs purposes. This is officially known as the “Agreement on the implementation of Article V11 of the General Agreement on Tariffs and Trade (now known as WTO Valuation Agreement). The GATT Valuation Code came into force on 1 January 1981.

This agreement was entered into on the 1st of January 1981. Zimbabwe acceded to the GATT valuation Code on the 23rd of October 1987 and implemented it with effect from the 1st of January 1988 thus joining other countries that were already applying this system.

This guide outlines the valuation of goods imported for Customs purposes in line with the provisions of the valuation agreement and the Zimbabwe laws.

It should be noted that the valuation agreement provides for a system which is neutral in its effect, uniform in its application, encompasses the need to safeguard commercial confidentiality and bases the valuation of commercial goods on commercial documents.

This guide is a supplement to, and not a substitute for, the WTO Valuation Agreement and the Customs and Excise Act. It is useful in day-to-day operations and can be used both within and without the Authority including any training related to Customs Valuation. It also answers some of the most frequently asked questions pertaining to the valuation of goods for Customs purposes.

Where the manual is in conflict with the WTO Agreement, Customs and Excise Act or any other law, the WTO Agreement or the law shall prevail.

It is hoped that all the users will find the Manual useful

Commissioner General
ZIMBABWE REVENUE AUTHORITY
January 2004

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CUSTOMS VALUATION MANUAL

This valuation manual has been updated to align it to the current legislation, with reference to the World Trade Organisation Valuation Agreement.

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CHAPTER 1

GENERAL INTRODUCTION

OUTLINE OF THE WTO VALUATION AGREEMENT

- 1.01 .01 The WTO Valuation Agreement provides a “positive” system of valuation which is based on the use of six specified methods of valuation. These methods are to be applied in strict hierarchical order.
- .02 The primary basis for value for duty purposes under WTO Valuation Agreement (**Article One**) is the “**Transaction Value**”, which is based on the price actually paid or payable for the goods. Adjustments to that price are necessary in cases where certain specified elements which are considered to form part of the value for duty purposes are excluded in whole or in part from the price for the imported goods. Imported goods can be valued under this method only if they have been the subject of a sale for export to Zimbabwe and if specified conditions which attach to the use of the method have been fulfilled. In practice, this is the principal method for determining the value for duty purposes since the vast majority of imported goods are the subject of a sale (**also covered by Section 106 of the Act**)
- .03 The five alternative methods, which must be applied in strict hierarchical order, provide respectively for the value for duty purposes to be determined on the basis of: -
- (i) a transaction value previously accepted for customs purposes for **goods identical** with those which are being valued (**Section 107 of the Act**);
 - (ii) a transaction value previously accepted for customs purposes for **goods similar** to those which are being valued (**Section 108 of the Act**);
 - (iii) **the deductive value method** which uses the price at which the **imported goods, or identical or similar goods** are sold in Zimbabwe (**Section 109 of the Act**);
 - (iv) the **computed value method** which is made up of the manufacturing costs relating to the production of the goods plus an amount for profit and general expenses (**Section 110 of the Act**);
 - (v) As a last resort, if the importer is unable to use the primary methods of valuation and the technical requirements of the subsequent four methods prevent the use of any of them, **the Fall Back Method** of valuation may be

used. This does not provide specific rules for determining the value for duty purposes but stipulates that one of the other five methods is to be applied in a flexible manner and on the basis of information that is available in Zimbabwe (**Section 111 of the Act.**)

Legislation implementing the WTO Valuation Agreement in Zimbabwe

- 1.02. Part X of the Customs and Excise Act (Chapter 23:02), hereinafter called the Act, gives effect to the provisions of the Agreement on implementation of Article VII of the General Agreement on Tariffs and Trade. Section 104 to 115 of the Act prescribes the manner in which imported goods are to be valued for Customs purposes. These Sections should be read in conjunction with certain sections of the Act, which deal with entry of goods and the obligations of importers. **Extracts of Part X of the Act are reproduced in Appendix I of this Guide.**

Responsibilities of importers and/or authorised Agents

- 1.03. Importers or their agents are responsible for the calculation and declaration of the value for duty purposes of imported goods in accordance with the valuation provisions in Part X of the Act. The determination of value for duty purposes and the selection of a particular valuation method must be based on documentary evidence.

Rights of the Zimbabwe Revenue Authority

- 1.04. The Zimbabwe Revenue Authority reserves the right to satisfy itself as to the truthfulness or accuracy of any statement, document or declaration presented for Customs Valuation purposes. If not satisfied, the entry may be rejected. (Section 111A of the Act.)

Fixing a basis of value in advance of importation

- 1.05. In the case of importations which present complexities in deciding which method of valuation should be used to establish the value for duty purposes of the goods, or where it appears that none of the six specified methods can be applied e.g. leased or hired goods, barter and counter-traded goods etc., it is in the interest of both the importer and Zimbabwe Revenue Authority that the situation should be clarified in advance of importation so as to enable the correct amount of duty to be paid with minimum delay, thus reducing the risk of the importer incurring unnecessary additional costs. While a firm value cannot always be assessed until the goods have actually been imported the Valuation section will advise and assist intending importers regarding the application of the rules of the WTO Valuation Agreement.

Treatments of Goods before Valuation is finalised.

1.06 If, in the course of determining the customs value of imported goods, it becomes necessary to delay the final determination of such customs value, the importer of the goods may be able to withdraw them from ZIMRA if, where so required, the importer provides sufficient guarantee in the form of a cash deposit covering the ultimate payment of customs duties for which the goods may be liable.

Place of importation

1.07 The term “place of importation” is defined in Section 2 of the Act as:-

- (a) goods other than goods imported by post, means—
 - (i) where the goods are imported by ship, the ship’s first port of call in Zimbabwe;
 - (ii) where the goods are imported by aircraft, the place where the aircraft makes its first landing in Zimbabwe;
 - (iii) where goods are imported by road or rail transport, the place where the goods cross the borders of Zimbabwe;
 - (iv) where the goods are imported by pipeline, the place where the goods pass through the first metered point on the pipeline within Zimbabwe;
- (b) goods imported by post, means the post office in Zimbabwe where duty payable on the goods is assessed;

CHAPTER 2

PRIMARY METHOD OF VALUATION: TRANSACTION VALUE

General

The transaction value method is the primary basis of Customs Valuation and will be used to value most goods entering Zimbabwe under the WTO Valuation Agreement. This is based on the price actually paid or payable for the goods sold for export to Zimbabwe. Adjustments to that price are necessary where certain specified elements which are considered to form part of the value for duty purposes are excluded in whole or in part, from the price of the imported goods.

Conditions for acceptance of the transaction value

The transaction value method cannot be used if the following conditions are not met: -

2.01 There must be no restrictions as to the disposition or use of the goods by the buyer other than restrictions which: -

- (i) are imposed or required by law or by the public authorities in Zimbabwe on imported goods e.g. if a licence is necessary to deal in an imported product, or if there are restrictions on the kinds of packaging for those products or on their end use;
- (ii) limit the geographical area in which the goods may be resold; or
- (iii) do not substantially affect the value of the goods for example, a restriction on the selling or exhibiting of motor cars prior to a fixed date which represents the beginning of a model year.

2.02 The sale or price must not be subject to some condition or consideration for which a value cannot be determined with respect to the goods being valued.

Examples of the kind of consideration or conditions for which a value could not be so determined are:

- (i) the seller establishes the price of the goods on condition that the buyer will also buy other goods in specified quantities.
- (ii) the price of the goods is dependent upon the price or prices at which the buyer of the goods sells other goods to the seller of the goods to be valued.

- (iii) the price is established on the basis of a form of payment extraneous to the goods, such as where the goods are semi-finished and have been provided by the seller on condition that he will receive a specified quantity of the finished goods.

- 2.03 No part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller unless an appropriate adjustment can be made.
- 2.04 The buyer and seller are not related, or where they are, that the transaction value is acceptable for customs purposes for the reasons described in paragraph 2.05.

Burden of Proof

- 2.03. If there is reason to doubt the truth or accuracy of the particulars or of documents produced in support of a declaration, including documents or other evidence, that the declared value represents the total amount actually paid or payable for the imported goods, as defined in Section 106 (1) of the Act, adjusted in accordance with the provisions of Section 113 of the Act. If not satisfactory the declared value will be rejected and a value will be determined in terms of alternative methods of valuation.

Definition of related persons

This is contained in Section 104 (3) of the Act, which is reproduced in Appendix 1.

Acceptance of transaction value where the buyer and seller are related.

- 2.05. If the buyer and seller are related, the transaction value may be accepted provided that it is proved to the satisfaction of the Commissioner that the relationship did not influence the price. This will usually be the case where it can be shown that: -
- .01 trade between the buyer and seller is conducted as if they are not related;
 - .02 the price is adequate to ensure recovery of all costs plus a profit, which is representative of the firm's profit realised over a representative period of time (e.g. on annual basis) in sales of goods of the same class or kind.

The transaction value will also be accepted if it can be shown by the importer that it closely approximates to one of the following, accepted at or about the same time by the Commissioner; -

- the transaction value in sales between buyers and sellers who are unrelated of identical or similar goods for export to Zimbabwe;
- the value for duty purposes of identical or similar goods as determined under the Deductive value method or the Computed value method.

When making such comparisons, due account should be taken demonstrate of demonstrate differences in commercial and quantity levels, or the elements listed in paragraph 2.33 between the transactions being compared and of costs incurred by the seller in sales in which he and the buyer are not related. Prices influenced by any relationship will be rejected.

Additions to the price actually paid or payable (Article 8 Of the WTO Agreement)

- .01 Additions must be made to the price actually paid or payable in respect of:
- (i) commissions and brokerage, except buying commissions incurred in the actual purchase of the goods;
 - (ii) the cost of containers which are treated as being one for customs purposes with the goods in question;
 - (iii) the cost of packing whether for labour or materials;
 - (iv) the value of any “assists” as outlined in paragraph 2.33 where appropriate;
 - (v) royalties and licence fees, including payments for patents, trademarks or copy right and for the right to distribute or resale the goods;
 - (vi) all payments that have been made or are to be made in relation to such goods, by or on behalf of the importer to the seller or to any person for the direct benefit of the seller;
 - (vii) the value or any part of the proceeds of any subsequent resale, disposal or use of the imported goods that accrues directly or indirectly to the seller. This would apply, for example, where the seller and the buyer enter into a contract under which they agree to share the profits in any subsequent resale of the imported goods by the buyer;
- .02 Freight, Insurance and other incidental expenses as follows: -
- All costs, charges and expenses incidental to the sale and to placing the goods on board the means of transport by which they will be removed from the country of exportation (i.e. all F.O.B. or F.O.R. costs); and

.03 any subsequent costs, charges or expenses incurred in delivering the goods to the place of importation in Zimbabwe as explained in Chapter 4 of this Manual.

.04 In the case of goods imported by post, all charges for postage and insurance which are reflected on or in any document accompanying the postal article. If the postage and insurance cannot be ascertained for one reason or another, it will be deemed to be fifteen percent of the free on board value and the Commissioner will impose the value calculated in this manner accordingly. The law does not empower importers to request that 15% of the free on board value be applied as postage. This rate is applied only as a last resort by the Commissioner.

Provided that all these charges are not already included in the price actually paid or payable.

Deduction from the price paid or payable

When the price actually paid or payable includes amounts in respect of any of the following items, an appropriate deduction may be made, provided the amounts can be distinguished from the price for the goods: -

.01 the cost of transportation, loading, unloading, handling, insurance and associated costs incidental to the transportation of the goods within Zimbabwe from their place of importation; and

buying commission, **if it meets the criteria laid out in paragraph 2.26.**

royalties for the rights to reproduce goods in Zimbabwe.

Documentary evidence required

Importers are required to furnish documentary evidence to support each declaration and for each entry as detailed in Chapter 5 of this Manual.

NOTES ON THE TRANSACTION VALUE

Meaning of Price Actually Paid or Payable

Price actually paid or payable is defined in Section 104 (1) of the Act and importers are advised to study this definition carefully so that they correctly declare all the components of price paid or payable.

Sales for export to Zimbabwe

The transaction value is the price actually paid or payable for the imported goods when sold for export to Zimbabwe.

In order to establish a transaction value there must be a sale of the goods being valued. If there is no sale the goods cannot be valued under section 106 of the Act. The sale must be the transaction resulting in the international transfer of goods to Zimbabwe.

Sales in Transit

The condition, “sold for export to Zimbabwe” in section 106 of the Act must be taken to mean that a prerequisite for valuation under the primary method is a sale.

That is to say, the importer must have acquired the goods by way of a purchase before entry thereof, and the seller need not necessarily be in the country of export. For example, exporter B in country E sells goods to buyer C in I, for shipment to that country. Whilst in transit to country I, the goods are re-sold by C to a buyer in Zimbabwe. The resale will be accepted as a “sale for export to Zimbabwe” and the price of goods sold in transit is to be ascertained on the basis of their sale prior to being entered for consumption. Cost of insurance and freight up to the place of importation in Zimbabwe will be included.

Free of charge goods (e.g. gifts, samples, promotional items)

Where goods are supplied without charge to the importer, they cannot be valued under section 106 of the Act since there is no price payable for them. They must therefore be valued under the next appropriate method of valuation (i.e. section 107 to 110). If it is not possible to use any of these methods it will be necessary to value the goods under the “**fall-back**” **Method (Section 111)**, e.g. using the seller’s normal price list for the goods or other evidence of the price. In all cases the costs shown in paragraph 2.06 are to be included in the customs value.

Where the fall-back method is used, a copy of the supplier’s current export price list or statement from the supplier on the value of the goods must be produced.

Transactions between branches

Transactions between separate parts of one corporate whole or legal entity e.g. between a parent company and branch which is not established as a separate legal entity, are not regarded as sales for the purposes of determining the value for duty purposes of goods under Transaction Value Method (because a sale necessarily involves a transaction between two separate persons). Such goods may be valued in terms of section 107, 108, 109, 110 or 111 of the Act.

Goods imported on consignment

Goods imported into Zimbabwe not as a result of a sale but with the intention that they be sold for the account of the supplier at the best price obtainable cannot be valued under the transaction value method as no sale has taken place at the time of importation. Valuation must proceed sequentially through the alternative methods.

Barter or Counter-trade deals

Counter trade is the modern term for barter, which involves the exchange of goods or services without any cash payment between the countries concerned. As there is no real sale in a barter transaction, the following will apply:

In cases of pure barter, where the transaction is neither expressed nor settled in monetary terms, and there is no transaction value or objective and quantifiable data for determining the value, the value

for duty purposes should be established in terms of the Fallback provisions of section 111 of the Act. Prior authority for use of this method is necessary in cases of barter or counter trade deals, and the proper officer must be consulted first.

Barter in modern times involves more complex transactions in which the value of bartered goods is determined and expressed in monetary terms. Such transactions may be regarded as sales and the transaction Value Method of Section 106 of the Act can be applied but this will be subject to the provisions of Section 106(1) (b) of the Act.

DISCOUNTS

Cash / Settlement discounts

This is acceptable and the net amount shown on the invoice may form the basis for valuation, regardless of whether payment has been made or not.

Advance payment/prepayment discount

Where payment for goods is made earlier than would be the case if normal cash settlement was made, and a discount is granted in respect of prepayment (e.g. payment is made when ordering the goods or during the course of their production) the net price may be acceptable as transaction value.

Discount applicable to level

Prices may vary according to the commercial level of the transaction and generally, irrespective of the quantities involved, when the buyer is a retailer he receives a standard discount and when he

is a wholesaler he receives an additional standard discount. Such discounts may be allowed in establishing the value for duty purposes.

Quantity and trade discounts

It is customary in some trades for sellers to grant discounts varying with the quantity sold.

Trade and quantity discounts granted at the time of purchase or invoicing are acceptable but the Commissioner reserves the right to examine such discounts should there be any reason to doubt their validity or non-compliance with the requirements of section 106 of the Act. Any discount which is granted retrospectively, such as a discount on turnover, ***granted at the end of a given period in respect of the total quantity purchased and delivered within that period, is not allowed and neither is a progressive discount granted retrospectively.*** The following is an example of the latter type of discount:

A seller grants the following discounts:

First 500 tonnes	-	NIL
Over 500 to 1 000 tonnes	-	4% discount
Over 1 000 tonnes	-	8% discount

A quantity of 218 tonnes, which is supplementary to a previous importation of 492 tonnes, is imported. In terms of the seller's policy of allowing retrospective discounts the entire 710 tonnes qualifies for a discount of 4%. In determining the value for duty purposes the discount allowed retrospectively on the first – 492 tonnes purchased is not allowed, but the 4% on the supplement purchase of 218 tonnes is allowed.

Loyalty/Fidelity Discounts

2.20 Loyalty and Fidelity discounts are acceptable provided that requirements of section 106 of the Act are met.

Sample Discount

2.21 A sample discount may be allowed provided the purchase satisfies the requirements of Section 106 of the Act.

Discount in lieu of Commissions, or Warranty Expenses

2.22 Any reduction in price on account of commission or warranty expenses which should be paid by the seller are disallowed and included in the value for duty purposes.

Doubtful, Unspecified and Special Discounts

2.23 If the nature of any discount is not specified on the invoice and it is not possible to ascertain whether it is an allowable deduction or not the discount will be disallowed and added to value for duty purposes.

ROYALTIES AND LICENCE FEES

Royalties and Licence Fees

2.24 Royalties or Licence Fees, in relation to imported goods, means “royalty” within the meaning given in Section 104 (1) of the Act. These may be added to the price paid or payable in terms of section 113 (1) (c) of the Act.

COMMISSIONS AND BROKERAGE

Commission and Brokerage

2.25 In terms of section 113 of the Act the value for duty purposes must include commission and brokerage except buying commission. Commissions referred to in this Section are those that are related to the sale of the goods being imported.

Buying Commission

2.26 .01 Section 113 (1) defines Buying Commission and lists circumstances when buying commission is disregarded and added to the price paid or payable. The definition restricts allowable activities to those cases where the agent is acting solely for the purchaser and disallows cases where an agent acts for both parties, and where the agent is in fact the seller. If a buying agent carries out any of the following activities in relation to the imported goods, any commission paid to the agent is to be included in the value for duty purposes:

- (i) produce or control the production of the goods; or
- supply any services in relating to the goods that are required to be taken into account when determining the price of the imported goods; or transport the goods; or
- purchase, exchange, sell or otherwise trade the goods; or supply any services relating to the goods, other than that in the capacity as an agent of the purchaser; or
- in respect of the goods to be valued, act as agent for, or in any other way represent, the producer, supplier or seller, or otherwise be associated with any such person except as the agent of the purchaser; or claim or receive, directly or indirectly, the benefits of any commission, fee or other payment as a result of the importation of the goods concerned, other than buying commission payable by the purchaser;

.02 Evidence in support of any claim to leave out buying commission may be required. Such evidence will be in the form of the following: -

An original sellers invoice showing the price of the goods; and
Certified copy of original sellers contract of sale showing the price of the goods; and
A certified copy of the contract between the importer and buying Agent, clearly specifying the terms, including the fee payable to the Agent.

Confirming Commission

2.27 Confirming commission paid or payable to the seller, agent of the seller or bank nominated by the seller should be included in the value for duty purposes.

Bank Charges/Commission

2.28 If Bank Charges are reflected on the Invoice or other document such as a debit note, it means that such charges are paid to the seller as a condition of sale. They should be included in the value for duty purposes, whether or not they are separately distinguished from the price of the goods.

Selling Commission

2.29 A selling agent is a representative of a foreign supplier and may be resident in Zimbabwe. Irrespective of his domicile, the cost of services rendered by him (selling commission) is to be included in the value for duty purposes.

If the supplier pays the selling agent himself and quotes a price inclusive of such cost in the invoice, there is no need for the invoice price to be adjusted to take account of this service.

If the invoice price does not include the selling commission, as may be case where the importer has to pay the agent direct the price must be increased by the amount of the commission.

Brokerage

2.30 This is a payment made to a broker (intermediary) for the service of putting both buyer and seller in touch with each other. Where the broker is paid by the supplier of the goods the total brokerage will normally be included in the invoice price.

If the invoice price does not include the brokerage, as in the case where the importer has to pay the agent direct, it must be increased by the amount of brokerage.

Documentation Charges

- 2.31 Charges incurred for the preparation of export documentation, customs clearing and other handling charges before or during the transportation of the goods up to the place of importation in Zimbabwe are to be included in the value for duty purposes.

Advertising and Warranty Expenses

- 2.32 Advertising and warranty expenses, if undertaken by the importer on his own account are not included in the value for duty purposes.

However, such expenses if incurred or are to be incurred as a contractual obligation imposed by the seller will form part of the value for duty purposes.

Where invoiced prices are reduced on account of post importation advertising and warranty expenses to be incurred by the importer on the goods, the discount must be disallowed and added to the value for duty purposes.

Assists (Goods and Services Supplied to Manufacturer by the Importer)

- 2.33 An “assist” is any material or service that has been supplied to the seller or manufacturer of the goods free of charge or at less than full value so that the purchase price does not reflect the full value of the goods. A buyer/importer might furnish his supplier with assistance, in goods or services for example;

jeans, which are made from fabric supplied by the buyer;

machines are purchased which are fitted with electric motors supplied by the buyer.

If the finished goods are manufactured by a foreign manufacturer and exported to Zimbabwe, the value of any “assists” must, if not already included therein, be added to the price paid or payable in determining the value of imported goods, although the term “assists” does not appear in the Act, it is used here to describe any of the four categories of goods and services listed in section 113(1) (b) of the Act, namely: -

- .01 “Materials, components, parts and similar items incorporated in the imported goods”. These are tangible items, which physically exist, in the imported product and the value to be added to the price paid or payable in determining the value for duty purposes is the costs to the buyer of manufacturing or otherwise acquiring them.

- .02 “Tools, dies, moulds and similar used in the production of imported goods” e.g. tooling charges. There are various ways of apportioning these charges, contact Valuation Section for advice.
- .03 “Materials consumed in the production of the imported goods”. This will include catalysts, lubricants, reagents, abrasives and similar materials, which do not become part of the imported goods but are used up in the manufacture of the goods. The value of an “assist” in this category is the cost thereof to the importer of producing or otherwise acquiring it. In determining the value no allowance is to be made for waste.
- .04 “Engineering, development work, art work, design work, plans and sketches undertaken elsewhere than in Zimbabwe and necessary for the production of goods.” This category of “assists” could be most complex because it concerns intangibles only. It could, for example involve changes, which we have become generally available or known, or plans which have been used for their original purpose and made available to, or drawn upon by, the buyer for adaptation. The value of “assists” must be determined if not satisfactorily indicated. Such cases should be referred to National Valuation Committee.

The value of an “assist” and the amount to be apportioned to the imported goods must be accurately determined on the basis of readily available information. Where this is not possible, the transaction value of the imported goods cannot be determined under the transaction value method and valuation must proceed sequentially through the alternative methods.

Assists form part of the free on board value of the goods.

Leased, Loaned and Hired Goods

- 2.34 .01 Goods on lease or hire are on temporary importation to Zimbabwe. Duty, however, has to be levied based on a value which is the total of rentals; hire or lease charges paid or payable for the period of use in Zimbabwe plus freight and insurance of the whole consignment to the place of importation in Zimbabwe.

In addition a monetary deposit equivalent to duty payable on the balance of the value of the goods (i.e. after deducting the value used for levying duty on hire charges) plus 33 1/3% of duty has to be lodged pending final re-export.

- .02 The transaction value method cannot be used to determine the value for duty purposes because a hire or lease contract does not constitute a sale. In order to determine a value for duty purposes which will be used to calculate the deposit payable in terms of .01 above, there are several possible methods: -

- (i) where goods which are identical or similar to the rented or leased goods are sold for export to Zimbabwe, it would be possible to determine the value in terms of Section 106 and 108 of the Act and add the charges specified in Section 113 of the Act.
- (ii) Valuation could also be based on the use of valid price lists for exportation to Zimbabwe.
- (iii) where the hire contract includes an option to buy, the offered prices may be used as basis for determining the customs value.

.03 Maximum period for temporary importation is only up to twelve months, after twelve months duty becomes payable.

Reimportations of Goods after repair or processing not constituting manufacture Abroad.

2.35 .01 “Manufacture” is defined in the Customs and Excise (General) Regulations section 125 (1) as “an operation through or by which an item undergoes transformation, resulting in a change to the nature of the originally exported item and the enhancement of its utility.”

.02 Subject to the regulations governing the re-importation of goods in general, goods re-imported after being repaired abroad or subjected to a process abroad which does not constitute manufacture will be liable to duty based on the cost of repair or processing.

The Primary Method of Valuation may be used, and in addition, the value of items shown in paragraph 2.06 must be added in order to arrive at a correct value for duty purposes

.03 Where repairs are made under original manufacturer’s guarantee / warranty, then the guarantee / warranty and original purchase documents must be produced in support of the duty free claim. If not produced, the duty free claim will be rejected and the duty will be levied accordingly.

Goods re-imported after a process of manufacture

2.36 Where the goods are processed abroad to an extent that constitutes manufacture, the following will apply: -

.01 The processor charges for the cost of the process

The primary Method of valuation should be used. The value for duty purposes will be based on the cost of the process. To this value should be added all the items

shown in paragraphs 2.06 and the following if not already included in the processor's charge: -

the value of exported goods (where the goods are purchased from an unrelated person the price paid or payable will normally be used. In other cases, contact Valuation Section for advice). the purchase price or value of any additional material or parts used in the processing.

the cost of labour in the processing the value of any material rejected, lost or wasted before, during or after the process.

the processor's profit. the agent's commission packing, freight, insurance and all other charges involved in delivering the goods to the processor or manufacturer abroad, including any customs duties and taxes or levies not subsequently refunded; cost of packages and packing material used to bring the goods to Zimbabwe. the cost of inland freight and insurance and other FOB Charges incurred in the country where the item was processed.

If there is any doubt whether a particular process constitutes manufacture, advice should be sought from the Authority before the goods are sent outside Zimbabwe for repair or processing.

.02 The processor does not charge for the cost of the process

As payment is not made, the Primary Method cannot be used. The following should be used-

Use the Identical or Similar Methods if identical or similar processed goods were imported under the Primary Method.

Use the Deductive Value Method if the processed goods or identical or similar processed goods are sold to unrelated Customer.

Use the Computed Value method if (i) and (ii) fail.

If any of these Methods cannot be used, the Fall Back Method may be used. The value for duty purposes can be based on the charge that would have been made for the process. Additions in all cases have to be made as detailed in (2.36.01).

Goods Exchanged/Replaced

2.37 Goods imported as replacements or exchanges of exported products are dutiable and no exemption is allowed.

.01 Charges made for the replacement product

The primary method of valuation can be used and the value will be based on the charge made for the replacement product. If this charge has been reduced to take account of the value of the exported goods, the amount of the deduction must be added back in order to arrive at the value for duty purposes. If the amount of the deduction to be included in the VDP is not known, the price of the exported goods when sold for export to Zimbabwe must be added.

.02 No charge made for the replacement product.

As no payment is made the Primary Method cannot be used. The following should be tried: -

use the identical or similar Methods if similar or identical goods were imported under Primary Method.

if the above is not possible, use the Fallback Method. The value can be based on the charge that would have been made for the replacement products. Additions will have to be made as detailed in (2.06).

CHAPTER 3

ALTERNATIVE METHODS OF VALUATION

When there is no sale or specified conditions listed in Chapter 2 are not met, the primary method cannot be used. Alternative Methods have to be applied, and this is to be strictly in hierarchical order. The five alternative methods of Valuation are more complex than the primary method and generally require the use of information, which is not available from commercial documentation for the shipment being cleared through ZIMRA. The following is therefore only for general information; if any importer needs to apply these methods, he should have prior consultations with the Station Manager.

FIRST ALTERNATIVE METHOD

3.01: The transaction Value of identical Goods

- .01 Where the Value for duty purposes of goods cannot be determined under the provisions of Section 106 of the Act, it will be based on the transaction value of identical goods exported to Zimbabwe at or about the same time as the goods to be valued, and in any case imported within ninety days. The value for duty purposes must be a transaction value already accepted under the Primary Method of valuation and relate to a sale at the same commercial level and in substantially the same quantity as the goods being valued. Where no such sale is found, a sale at different level and/or in different quantities may be used, appropriate adjustments being made for those differences.

The transaction value may also require adjustment to take account of differences in transport and related costs as between the two shipments.

Definition of identical goods

- .02 Identical goods are defined as goods produced in the same country as those to be valued which are the same in all respects, including physical characteristics, quality and reputation. Minor differences in appearances do not preclude goods otherwise conforming to the definition from being regarded as identical.

Goods which incorporate or reflect engineering, development, artwork, plans and sketches the cost of which has not been included in the transaction value because they were undertaken in Zimbabwe are not regarded as identical goods.

Adjustment for level or quantity

- .03 Where the commercial level and/or quantity of goods differ from that of the Identical goods, adjustments for differences in commercial level and/or quantity should be made.

The adjustment should be based on facts such as valid price lists for different commercial levels or different quantities.

Example: Goods to be valued are 10 units of samples sent free of charge.

An importation of identical goods is found, the seller granted quantity discounts for purchases in excess of 500 units.

The importers in both cases are at the same commercial level i.e. both wholesalers and retailers. An adjustment is needed in respect of quantity. Ask for the seller's price list and use the unit price which is applicable to the sale of 10 units.

Adjustment for freight and other costs and charges for delivery

- .04 Where costs and charges such as transport, loading, handling and insurance etc., are included in the transaction value, an adjustment must be made to take account of significant differences in such costs and charges for the imported goods and those for the identical goods in question which arises from differences in distances and modes of transport.

Documentary evidence required

- .05 A copy of the customs entry on which the value for duty purposes of identical goods was determined and all supporting documentation must be produced in support of the declared values under this method.

It is unlikely that the importer will be able to use this method, as it requires information on values declared to the Authority for imports of identical goods. Value for duty purposes under this method will therefore be calculated by, or in conjunction with, the Authority.

THE SECOND ALTERNATIVE METHOD

3.02: The Transaction Value of similar goods

- .01 This method is essentially the same as the identical goods method already outlined except that the value is based on that of "similar goods", that is goods, which closely resemble the goods that are being imported.

The goods in question must have been exported at or about the same time as the goods being valued, and in any case within ninety days. This method can only be applied if the transaction value method or identical goods method cannot be applied.

Definition of similar goods

- .02 Similar goods are goods produced in the same country by the same or another producer, which although not alike in all respects, have like characteristics and like component materials, which enable them to perform the same functions and to be commercially interchangeable. The quality and reputation of the goods and the existence of a trademark are among the factors to be considered in determining whether goods are similar.

Adjustments, conditions etc. on similar goods

- .03 The provisions and qualifications affecting the “identical” value method outlined in paragraph 3.04, 3.05 and 3.06 apply equally in the use of the “similar” goods method. The same difficulties, related to information requirements that exist in valuing goods under the identical goods method are inherent in this method.

THIRD ALTERNATIVE METHOD

3.03: The Deductive Value Method

General

- .01 The deductive value method is the third alternative method in the hierarchical application of the five alternative valuation methods.

An importer may, however, request before application of the deductive value method that the computed value method be applied first.

This is allowed in terms of the proviso to Section 109 (1) of the Act.

- .02 The deductive value method provides for the value for duty purposes to be based on either: -

the unit price at which the identical or similar imported goods are sold in the same condition as imported, to customers unrelated to the seller in the greatest aggregate quantity at or about the time of the importation of the goods to be valued; or

if such sale is found at or about the time of importation, the unit price at which the identical or similar imported goods are sold in Zimbabwe in the same conditions as imported at the earliest date after the importation of the goods being valued but within 90 days of such importation.

(In this context “earliest date” means the date on which sales of the identical or similar imported goods are made in sufficient quantity to establish the unit price); or

if neither the identical nor similar imported goods are sold in Zimbabwe in the same condition as imported then, at the importer's request, the unit price at which the imported goods after further processing are sold in the greatest aggregate quantity to unrelated customers in Zimbabwe.

Deduction from unit price

.02 Where appropriate, the following deductions from the unit price shall be made in arriving at the value for duty purposes: -

the commissions usually paid or agreed to be paid or additions usually made for profit and general expenses (including the direct and indirect costs of marketing the goods in question), in connection with sales in Zimbabwe of imported goods of the same class or kind, irrespective of the country of exportation;

Any costs of transport, insurance and associated costs incurred within Zimbabwe;

Any duties and internal taxes payable in Zimbabwe.

Additionally, in respect of the goods covered by paragraph **3.03.01 (ii) (c)** due allowance shall be made for the value added by the processing.

Documentary evidence required

.03 Evidence of the unit price will normally take the form of a specimen sales invoice.

Processed goods

.04 The method referred to in paragraph **3.03.01 (ii) (c)** would not normally be applicable when as a result of further processing the imported goods lose their identity.

However, there are instances where although the identity of the imported goods is lost, the value added by the processing can be determined accurately without unreasonable difficulty. Conversely there are also instances where the imported goods maintain their identity, but form such a minor element in the goods that the use of this valuation method would be unjustified.

Therefore each situation of this type must be considered on its merit.

Deductions made for the value added by further processing must be based on objective and quantifiable data relating to the cost of such work. Accepted formulae, recipes, methods of construction etc. used in industry would form the basis of the calculations.

.05 Explanations of some of the terms used in the preceding paragraphs

- (i) **“Goods of the same class or kind”** means goods, which fall within a group or range of goods produced by a particular industry or sector of industry and includes identical or similar goods. But goods may be considered to be of the same class or kind even if they are not imported from the same country as the goods being valued. The question whether certain goods are of the same class or kind as the other must be determined on a case-by-case basis by reference to the circumstances involved.
- (ii) **“Profit and general expenses”** should be taken as a whole. The figure for the purposes of this deduction will be determined on the basis of the actual profits and expenses of the importer unless his figures are inconsistent with those obtaining in sales in Zimbabwe of imported goods of the same class of kind, in which case the deduction may be based upon relevant information other than that supplied by or on behalf of the importer.
- (iii) **“Greatest aggregate quantity”**, the unit price in the greatest aggregate quantity is the price at which the greatest number of units is sold to unrelated persons at the first commercial level after importation at which such sales take place. To determine the greatest aggregate quantity all sales at a given price are taken together and the sum of all the units of goods sold at other prices, the greatest number of units sold at any one price represents the greatest aggregate quantity (Example in paragraph 3.15.)

Sales to persons in Zimbabwe who supply directly or indirectly any of the elements specified in paragraph 2.33 free of charge or at reduced cost for use in the production of the imported goods may not be taken into account for the purposes of determining the greatest aggregate quantity.

.06 Examples showing how to determine the unit price in the greatest aggregate quantity

Example 1

Goods are sold from a price-list, which grants favourable unit prices for purchases made in larger quantities.

Sale Quantity	Unit Price	Number of Sales	Total quantity sold at each prize
1 –10 units	100	10 sales of 5 units 5 sales of 3 units	65
11 –25 units	95	5 sales of 11 units	55
Over 25 units	90	1 sale of 30 units 1 sale of 50 units	80

The greatest number of units sold at a price is 80;

The greatest number of units sold at a price is 80; therefore, the unit price in the greatest aggregate quantity is 90.

Example 2

Two sales occur. In the first sale 500 units are sold at a price of 95 currency units each. In the second sale 400 units are sold at a price of 90 currency units each. The greatest number of units sold at a particular price is 500; therefore, the unit price in the greatest aggregate quantity is 95.

Example 3

Various quantities are sold at various prices.

(a) Sales

Sale Quantity	Unit Price
40 units	100
30 units	90
15 units	100
50 units	95
25 units	105
35 units	90
5 units	100

(b) Totals

Sale Quantity	Unit Price
65	90
50	95
60	100
25	105

The greatest number of units at a particular price is 65; therefore, the unit price in the greatest aggregate quantity is 90.

FOURTH ALTERNATIVE METHOD

3.04 The Computed Value Method

General

- .01 The computed Value method is the fourth alternative method of valuation and is detailed in section 110 of the Act. This method involves the valuation of goods by adding together the sum of all the costs which have gone into their production and transportation to their place of export. An essential prerequisite for the use of this method of valuation is the availability of data which is unaffected by intermediary transactions. The producer himself, without the involvement of an intermediary, must furnish the data. In view of this, this method can only be used if the exporter is the producer of the goods or where the importer and supplier are related.

In terms of Section 110 of the Act, the computed value shall be determined by the Commissioner General. Any importer who wishes to use this method must therefore get written advance approval from the Commissioner General.

Calculating a computed value

- .02 The value for duty purposes is based on the costs of producing the goods and is built up from the following, which must be furnished by the producer or manufacturer:

the value of the materials employed in producing the goods being valued; and the costs, charges and expenses incurred by the producer in connection with the production of the goods being valued; and

packaging costs for materials and labour paid or payable on behalf of the purchaser; and the value of assists as defined and outlined in Section 2.33 of this Manual; and the costs to the producer of engineering work, development work, art work, design work, plans or sketches undertaken in Zimbabwe; and usual profit and general expenses of the producer in the same type of sale with an unrelated purchaser; and the cost of inland freight and insurance and other F.O.B. charges incurred in the country of export.

.03 Documentary evidence required

- (i) The importer must be able to get from the producer the information about the cost or value of the items in Section 3.17.

This information must be based on the producers' commercial accounts and these accounts must follow the general principles of accounting which apply in the country where the goods are produced.

- (ii) The importer must also get information about the producer's profit and general expenses. The amount to be added in building up the computed value must be in line with the usual figures for profit and general expenses for producers in the country of exportation of the goods for goods of the same class or kind for export to Zimbabwe.

The amount for profit and general expenses must be taken as a whole.

In cases where the producer's profit figure is low and his general expenses are high, his profit and general expenses considered as a whole may, nevertheless, be consistent with those generally reflected in sales by other producers of goods of the same class or kind.

- .04 As the details required to arrive at a computed value have to be provided by the producer/manufacturer in the country of export, it will be necessary for the details to be accompanied by a written statement from the producer/manufacturer attesting to the truth and accuracy of the information and confirming that the information has been prepared in conformity with the generally accepted accounting principles.

This statement must take the form of an affidavit sworn to by a responsible officer or employee of the producer/manufacturer, or by an independent auditor recognised and acknowledged as such under the laws of the country concerned.

FINAL ALTERNATIVE METHOD

“Fall-Back Method”

- 3.05 If none of the foregoing methods are applicable, then as a last resort, the “Fall Back” method may be used. This is to be used in respect of merchandise goods only as privately imported non-merchandise goods are to be valued in terms of section 112 of the Act.
- .01 The “Fall-Back” method does not provide specific rules for determining the value for duty purposes, but stipulates that this will be achieved by applying the other five methods with a reasonable degree of flexibility.
- .02 If an importer finds that he has to resort to the “Fall-Back” Method, he should immediately seek advice from ZIMRA as each case tends to have individual needs.

VALUATION OF GOODS FOR PERSONAL/PRIVATE USE

3.06 Where the value for duty purposes of non-merchandise goods-

.01 cannot be established by using the primary method or identical or similar goods methods,
or

.02 does not reflect a bona fide open market sale between unrelated parties, or

.03 is unacceptable by reason of false or inadequate documentation,

it shall be established by the Commissioner in terms of Section 112 of Act, using any information at his disposal, including information from catalogues. The provisions of Section 111 of the Act do not apply to privately imported goods.

CHAPTER 4

DELIVERY COSTS AND THEIR APPORTIONMENT

C I F Valuation system

By whatever method the value for duty purposes is determined in addition to the price of the goods, the value for duty purposes must include the cost of transport and insurance of the goods to the place of importation in Zimbabwe. Such charges include any or all of: -

- .01 costs, charges and expenses incidental to the sale and to placing the goods on board the means of transport by which they will be removed from the country of exportation, including: -

costs incurred in packing the goods in readiness for transporting to Zimbabwe whether for labour or materials.

freight charges incurred in moving goods from the seller's or manufacturer's premises to the place of export i.e. inland carriage and freight.

- .02 If the goods in question are exported to Zimbabwe through another country, freight and insurance from the country of supply to the country where the goods are placed on board the means of transport for direct transportation to Zimbabwe, (for example if goods are purchased in Bremen, Germany and then transported to the Port of Rotterdam in Holland for shipment to Zimbabwe, the freight and insurance from Bremen to Rotterdam is dutiable and must be declared); and

- .03 subsequent costs, charges or expenses incurred in delivering the goods to the place of importation in Zimbabwe i.e.

handling and loading costs; and freight charges; and storage charges; and wharfage (port dues); and terminal charges; i.e. charges for a variety of services in connection with handling/storage of freight containers at Container Depots.

Port Agent and clearing and container Service Depot charges; and costs, charges and expenses incidental to transportation of goods.

Container charges, e.g. when hired for transportation of the imported goods.

- .04 Insurance to be calculated at one percent of the free on board value of the goods or actual insurance proved by the importer by means of documentary evidence of a lower premium paid. The one percent rate is applicable to all cases except those goods transported by air, or by post.

NB. *If goods are not insured use 1% of FOB.*

Documentation

- 4.02 .01 For the purposes of establishing transportation charges, original documents for transportation are to be produced to Zimbabwe Revenue Authority in support of declared transport charges, including where appropriate: -
- (i) Airway Bills
 - (ii) Rail Advice Notes
 - (iii) Road Consignment Notes
 - (iv) Bills of Lading
 - (v) Sea Freight Invoices/Statements
 - (vi) Groupage Container Release Orders
- .02 Sea Freight statements or invoices should generally be those issued by the overseas shipper or agent. However, certain shipping lines have appointed local companies to represent them in Zimbabwe. Here it is acceptable to have a sea freight statement or invoice for wharfage and other charges from such shipping line's local representative provided the charges are reflected in the appropriate currency. The Commissioner however, reserves the right to call for actual documents issued by the foreign shipping line.

Deduction of post importation freight

4.03. Invoice, freight documents, i.e. bills of lading and other documentary evidence sometimes show transport costs to a point beyond the place of importation in Zimbabwe e.g. importer's premises, and invoices sometimes merely show a single CIF value, without distinguishing external or post importation freight. In these circumstances the whole amount for insurance and freight is to be included in the value for duty purposes.

Any deduction from the invoice value must be based on documentary evidence e.g. breakdown on invoice and freight invoices of foreign charges up to the place of importation.

Note: Local freight can only be deducted from the specified freight on the invoice.

Treatment of Differing Freight Charges

It is possible for freight charges on supplier's invoices made out on C.I.F. terms to differ from the amount reflected on transportation documents such as the house bill of lading or freight statement.

In such cases the higher amount as reflected on either the invoice or transportation document should be included in the value for duty purposes.

Inland Carriage and Freight

Inland freight and insurance incurred in a country other than Zimbabwe means any costs, charges and expenses of, or associated with, the transportation and insurance of the goods within that country of export but before export from the place of export. All these costs are dutiable and must be declared if not already included in the FOB price.

Wharfage

These are dues paid for using a wharf. Wharfage is dutiable and must be included in the value for duty purposes.

Port Terminal handling charges

Terminal handling charges at any of the sea ports which serve Zimbabwe are dutiable and must be declared.

Port Charges and Clearing Fees

4.08 Port Agency and Clearing Fees at any Sea port are dutiable and must be declared.

Container Transfer, Service Depot Charges etc.

Container hire, transfer, service depot, terminal and similar charges form part of the value for duty purposes of goods when incurred in the course of transport of the goods up to the place of importation and must be declared.

Empty Container Return Charges

The charge raised by a Container Operator for re-positioning the container in Zimbabwe after the discharge of the contents is not to be included in the value for duty purposes.

Containers / Packing and packaging

01. The cost of containers, which are treated as being one for customs purposes with the goods, when incurred in the course of transport of the goods up to the place of importation, must be declared to the Zimbabwe Revenue Authority.
- .02. The cost of packing whether for labour or for materials (e.g. stuffing) is to be included in the value for duty purposes.

Storage Expenses

Storage expenses paid by the importer for storing the goods outside Zimbabwe, whether for the benefit of the importer or the seller (e.g. Caustic Soda stored in South Africa after being unloaded from the ship) are dutiable and invoices for such storage charges must be produced at the time of clearance.

Other Costs, Charges and Expenses

It is not possible to list every cost, charge and expense that may be encountered and those not specifically dealt with above are dutiable if they are incurred outside Zimbabwe. They must therefore be declared to ZIMRA.

Free transport or Importer's own Transport.

Fixed rates are provided in Section 113 (2) (c) of the Act in cases where the importer uses his own transport to deliver the goods to Zimbabwe or where the goods are said to have been carried free of charge.

Dutiable Transport Costs for Goods Imported by Air

.01 In Section 113 (2) (c) (i) of the Act the cost of freight and insurance for goods transported by air shall be deemed to be 15% of the free on board value of the goods to be valued plus any other charges and expenses referred to in 113 (2) (b) unless the importer satisfies the proper officer to the contrary.

If the importer wants to use actual charges instead of the 15% all freight and insurance documents must be produced.

.02 Where an invoice made out on C.I.F terms reflects a freight amount which differs from that shown on the Air Waybill or other freight document the freight amount to be compared with the 15 percent of the free on board value as set in .01 above should be determined in accordance with the provisions of paragraph 4.04

.03 Where actual charges are used all freight documents must be produced.

.04 Prepaid charges reflected on the airway bills form part of the value for duty purposes and should be added to the invoice price *UNLESS* it is established that the charges were included and form part of the invoiced cost of the goods. Importers should produce evidence of the cost of the goods in support of a claim to exclude prepaid charges from the value for duty purposes. The contract of sale, invoices, price lists, etc. will help indicate

whether prepaid charges are included in the cost of goods. Details of who prepaid transportation charges will be required.

- .05 Airway bill, storage and cartage charges etc. form part of the value for duty purposes.
- .06. Where the F.O.B. point is not the Airport where goods were placed on the aircraft which will transport the goods to Zimbabwe, all charges for transshipping or moving goods in or through other countries, by road, rail, or sea before they are placed on an aircraft which will finally transport the goods to Zimbabwe should be included in the value for duty purposes. For example, where goods were sold and moved by road from Bremen to Schipol, Holland, where they were airlifted to Zimbabwe - transportation will include road and sea transport charge from Bremen to Schipol in Holland. The total figure will be added to the cost of the goods
- .07. It should be noted that airfreight charges up to the airport of the first arrival in Zimbabwe are all considered as external charges. Airfreight charge for transportation of goods after the place of importation should be excluded from the value for duty purposes.

Goods transported by Air free of charge or at reduced rates

If any goods are transported free of charge or at a reduced rate (e.g. Air Zimbabwe carrying its own goods at no cost to itself), the reduced rate should be ignored and the combined freight and insurance value is calculated by multiplying the F.O.B. value by fifteen percent.

Dutiable freight costs for Goods Imported by Rail

Railage charges relating to the transportation and handling of goods outside Zimbabwe must be included in the value for duty purposes.

- .01 All rail advice notes will reflect separate figures for external and post importation railage charges. In the majority of *cases, railage charges must be read from the rail advice note / container rail advice note / invoice for unit trains.* (See 4.18) handling and other related charges should be included in the value for duty purposes.
- .02. Where goods are sold F.O.B. or ex-works from overseas, the appropriate freight should be determined by addition of the following: -
 - sea freight or ocean freight from the overseas port of loading to the seaport of discharge or offloading nearest to Zimbabwe which should be taken from the master waybill, house bill of lading, freight statement or Groupage Container Release Order.
 - external railage charges as per rail advice note, or and container rail note / invoice for unit trains.

- all port handling and other charges.
- .03. Where goods are sold on C.I.F. from overseas, the appropriate freight should be determined by addition of the following: -
- external railage charges as per rail advice note, or and container rail note / invoice for unit trains
 - all port handling and other charges.

****** If the freight charges shown on the transportation documents are different from the charges on the C.I.F. invoice the provisions of paragraph 4.04 should be applied ******

- .04 If an “ all-in” or “through rate” of freight (i.e. from the sea port of loading in the country of exportation right through to the place of destination in Zimbabwe) is shown on the freight statement, house bill of lading or groupage Container Release Order, you should: -
- deduct internal railage from the point of importation into Zimbabwe to the place of destination as per rail advice note; and
 - add all port handling and other charges.

****** The provisions of paragraph 4.04 will apply if the C.I.F. invoice freight charges are different from charges shown on the transportation documentations. ******

- .05. Where goods are sold on C.I.F. terms to the destination in Zimbabwe *from Neighbouring Countries*, deduct internal railage from the point of importation into Zimbabwe to the place of destination as per rail advice note.

The provisions of Paragraph 4.04 above should be applied in cases where the freight charge reflected on the invoice is higher than that shown on the rail advice note.

Rebate on Rail Transportation

Shipping line representatives have entered into special contracts with the national railways of Zimbabwe and Spoornet for a conditional rebate, which is granted to them if they are able to move a certain number of containers over a given period of time.

In practice the shipping line agents pay to the Railways the rate shown on the rail advice note which will be lower than the rate that would normally be payable in the absence of the contract.

The shipping line agents then charge importers a higher rate than that shown on the rail advice note but still lower than the rate that would normally be payable in the absence of the contract.

For our purposes external railage charges as per the shipping line agents invoice should be included in the VDP. In cases where the shipping line agents charge the importer an amount which is less than that shown on the rail advice note the amount to be included in the VDP is that shown on the Rail Advice Note or Container Rail Advice Note / Invoice for Unit Trains.

Example

Normal railage charge for 20 foot container \$ 20 250.00.
Rebate rate charged to shipping line agent by Railways \$ 17 500.00. Amount charged to importer by shipping line agent \$ 20 000.00.

Answer

Include \$ 20 000.00 in the VDP.

The practice of retrospect claiming of the conditional rebate has now been stopped and shipping line agents are benefiting from the rebated rate each time they consign containers by rail.

Goods Imported by Road

Road Freight charges relating to the transportation and handling of goods outside Zimbabwe must be included in the value for duty purposes.

- .01. All road consignment notes will reflect separate figures for external and post importation road freight charges. In the majority of *cases road freight charges must be read from the consolidated house waybill road consignment note*, handling and other related charges should be included in the value for duty purposes.

- .02. Where goods are sold on F.O.B. or ex-works from overseas, the appropriate freight should be determined by addition of the following: -
 - sea freight or ocean freight from the overseas port of loading to the seaport of discharge or offloading nearest to Zimbabwe which should be taken from the master waybill, house bill of lading, freight statement or Groupage Container Release Order.

 - External road freight charges as per consolidated house waybill or road consignment note.

 - All port handling and other charges.

- .03. Where goods are sold on C.I.F Beira or Durban from overseas, the appropriate freight should be determined by addition of the following: -

External road freight charges as per consolidated house waybill or road consignment note.

All port handling and other charges.

****** If the freight charges shown on the transportation documents are different from the charges on the C.I.F. invoice the provisions of paragraph 4.04 should be applied ******

- .04. If an “all-in” or “through rate” of freight (i.e. from the sea port of loading in the country of exportation right through to the place of destination in Zimbabwe) is shown on the freight statement, house bill of lading or Groupage Container Release Order, you should: -

- deduct internal road freight from the point of importation into Zimbabwe to the place of destination as per consolidated house waybill or road consignment note; and
- add all port handling and other charges.

****** The provisions of paragraph 4.04 will apply if the C.I.F. invoice freight charges are different from charges shown on the transportation documentations. ******

- .05. Where goods are sold on C.I.F. terms to the destination in Zimbabwe *from Neighbouring Countries*, deduct internal road freight from the point of importation into Zimbabwe to the place of destination as per consolidated house waybill road consignment note.

The provisions of Paragraph 4.04 above should be applied in cases where the freight charge reflected on the invoice is higher than that shown on the consolidated house waybill or road consignment note.

- .06. Where goods are transported free of charge or by importers own transport, a rate of 5 percent or 7.5 percent of the free on board value in terms of section 113 (2) (c) (iv) of the Act shall be included in the value for duty purposes.

Goods Imported by Post

- .01. Postage, insurance and any charges reflected on the parcel shall be included in the value for duty purposes.
- .02. If the *postage and insurance* cannot be ascertained or where the stamps have fallen off, the total postage and insurance shall be deemed to be fifteen percent of the free on board value without exception.

****** The provisions of paragraph 4.04 should be applied in cases where the postage and insurance charges reflected on the parcel are higher than those on the accompanying documents (invoice). ******

Traveller's Baggage

- .01. If goods are non-merchandise or not commercial and are imported as accompanied baggage by a traveller, they are to be valued on FOB basis only without the inclusion of the freight and insurance.
- .02. If any goods are sent as unaccompanied baggage or as a consignment to anybody in Zimbabwe, the value for duty purposes will include freight and insurance, which will be calculated in terms of section 113 of the Act.

Motor Vehicles

- .01. Personal private motor vehicle driven from country of export and imported by the owner through a place of importation will be valued on FOB basis. There is no need to add freight and insurance.
- .02. Personal private motor vehicles driven by agent will be valued on CIF basis. All freight and insurance charges as per Section 113 (2) of the Act are to be included in the value for duty purposes.
- .03. All private motor vehicles sent by rail, air, road transportation are to be valued on CIF basis as in .02 above.

Merchandise / Commercial goods Imported as Travellers accompanied baggage

If a traveller imports as accompanied baggage, commercial or merchandise goods, the value for duty purposes will include freight and insurance as follows: -

- .01. **Air – traveller:** - fifteen percent of the FOB value to be added to the FOB value in order to arrive at the value for duty purposes.
- .02. **Rail, Road, Water or Foot Traveller:** - 5% or 7.5% of the FOB value for freight and 1% of the FOB value for insurance are both to be added to the FOB value plus charges as specified in Section 113 (2) (b) of the Act in order to arrive at the value for duty purposes.

C.I.F. Value on Transit Goods

Goods in transit through Zimbabwe are not dutiable, but will have to be brought to account if they are not exported or if goods cannot satisfactorily be accounted for. Therefore CIF value of goods must be declared on transit entries.

If freight and insurance charges cannot be substantiated, the CIF value will be calculated as follows: -

- .01. If goods imported by Air Transport, 15% of the FOB value must be taken as freight and insurance.
- .02. If transported by Road, 5% or 7.5% freight and 1% insurance as specified in Section 113 (2) of the Act.

Prepaid Transport Charges

Whether prepaid or not, transportation charges are dutiable.

These are to be added to the invoice value if they are supplementary to the invoice amount.

As a general rule, prepaid charges should be added to the invoice amount, unless it is established that the charges were included and form part of the invoiced cost of the goods. The contract of sale, invoices, price lists will help indicate whether prepaid charges are included in the cost of the goods. Details of who prepaid transportation charges will be required.

Insurance

Section 113 (2) (c) (iii) of the Act specifies the rate of one percent of the FOB value to be the deemed cost of insurance for goods transported by any means other than air transport and post. The rate is applicable were;

- .01. Goods are not insured, or

.02 documentary evidence for the premium is not produced, is not adequate or satisfactory;
or

.03. The importer has paid insurance charges in excess of one percent of the FOB value.

The onus is therefore on the importer or his agent to declare and produce documentary evidence of the insurance paid. It is unacceptable not to declare insurance and entries where no insurance is declared will be rejected. It is in fact an offence to leave blank Section 17 (d) of Form 52A or Section 15 (f), 19 (d) or 23 (c) of Form 53A unless the goods are imported by air transport or by post. Heavy penalties are imposed for leaving out dutiable items.

CHAPTER 5

PROCEDURES

5.01 Clearance Procedures and Declaration of Facts Forms

.01 Clearances of all imported goods *except those falling within the categories mentioned in paragraph 5.03* must be accompanied by the appropriate “Declaration of Particulars Relating to Customs Value” form.

(i) Form No. 52A:

“Declaration of Particulars Relating to Customs Value” (Transaction Value Method) (1copy)

This form is valid for goods to be valued under *the transaction value method only*. All elements required to be included in the value for duty purposes should be inserted in the appropriate spaces on the form. Detailed instructions on completion of the Form are given in Appendix III.

(ii) Form No. 53A:

“Declaration of Particulars Relating to Customs Value” (Methods other than Transaction Value) (1copy)

This form should be completed with respect to goods whose value cannot be established in terms of Transaction Value Method. It contains information similar to that of Form 52A. The importer is required to indicate the method preferred in the valuation of the goods and the reason for that decision. Directions for the completion of the form are given in Appendix III.

(iii) Form No. 54A:

“Declaration of Particulars Relating to Customs Value” (Importer related in business with *supplier – No Customs Value Ruling Issued*) (1copy).

This form should be completed in all cases where the importer and the supplier are related and no customs value ruling has been issued by the Commissioner General.

After the issue of a value ruling the importer will be required to submit form 54B.

(iv) Form 54B: “Declaration of Particulars relating to Customs Value” – Value Ruling” (1 copy)

A value ruling will normally be issued by the Commissioner General after investigation of the circumstances following submission of Forms 54A. Upon notification of a value ruling importers are required to submit Form

No. 54B in respect of future importations under exactly the same commercial conditions from the same supplier. Where the facts remain unchanged, the Value Ruling is valid for twelve months, after which it expires and fresh application made.

.02 The number of copies of each form as indicated above will be retained by the Zimbabwe Revenue Authority; any importer requiring ZIMRA- stamped copies for his own records should submit additional copies which will be returned after clearance. These forms are reproduced in Appendix 111.

.03 Value declaration forms are not required to support clearance of goods in any of the following categories ***UNLESS SPECIFICALLY REQUIRED BY THE ZIMBABWE REVENUE AUTHORITY –***

- (i) Complete consignment which consists of or includes dutiable goods not exceeding a value for duty purposes of \$20 000.00. This does not apply to importations by persons related with the supplier for which form 54A must always be completed).
- (ii) Goods temporarily imported in terms of Section 124 of the Customs and Excise Act;
- (iii) Non commercial or non-merchandise importations;
- (iv) Goods in transit through Zimbabwe.
- (v) Goods which are admissible free of duty under the Customs tariff and Surtax Tariff or by virtue of an agreement or any suspension of duty.

5.02 Who makes the declaration

A valuation declaration may only be made by the importer and signed by: -

.01 the actual importer (or proprietor) if an individual; or

.02 a partner in the case of a partnership; or

.03 a director, or secretary in the case of a company;

.04 an employee properly authorised by one of the above.

The signature of a customs clearing Agent/Shipping Agent is not acceptable.

WARNING: FAILING TO SUBMIT THE CORRECT DECLARATION FORM WHERE ONE IS REQUIRED IS AN OFFENCE AND MAY LEAD TO DELAYS IN CLEARANCE OF GOODS. THERE ARE PENALTIES FOR MAKING FALSE DECLARATIONS.

5.03 Documentary Evidence required

.01. Importers are required to furnish with each entry documentary evidence, as appropriate, of the following:-

Seller's invoice for the goods;

Inland Freight and insurance charges;

Sea Freight statement /invoice/ Groupage Container Release Order;

Wharfage charges;

Rail Advice Note / Container Rail Advice Note / Invoice for Unit Trains showing all external charges;

Port terminal handling charges;

Road consignment Note / invoice showing all external charges;

Insurance Certificate showing premium paid;

Airway Bill

Bill of Lading;

Such other evidence as may be required to support a declaration;

Photocopy or facsimile copies of documents are not acceptable. Where such copies are submitted, a cash deposit pending production of original documents will be collected at the time of clearance.

- .02 The National railways of Zimbabwe will issue Rail Advice Notes / Container Rail Advice Notes / Invoice for Unit Trains in all cases, showing separately all foreign transport charges up to the Zimbabwe border and local charges from the border to the point of destination inside Zimbabwe. Only the foreign element is dutiable. If total bill is not broken down the total on the Rail Advice Note will automatically become dutiable.
- .03 Road Transport Carriers will issue a Road Consignment Note which will show a complete breakdown of freight charges up to the Zimbabwe border and charges from border to Zimbabwe final destination. Only the foreign element is dutiable.
- If the total freight bill is not broken down, then the whole amount shown on the Road consignment Note will be dutiable.
- .04 Where freight is pre-paid, the freight cost may be included in the price for the goods or it may be shown separately on the invoice for the goods. The National Railways of Zimbabwe will still issue a Rail Advice Note but showing the amount on the “Paid Column”. In such circumstances, the total invoice price may be accepted if it is not lower than the amount shown on the Rail Advice Note, but the Authority reserves the right to have a complete breakdown of the cost of the goods and the freight charges.
- .05 For the Groupage and ICL Containers, the National Railways of Zimbabwe will issue one Rail Advice Note or Container Rail Advice Note / Invoice for Unit trains for each container addressed to an Agent. The charge will be for all the goods therein. The Agent will have issued a house bill or Groupage Container Release Order in respect of each consignment in the container. The house bills or Groupage Container Release orders issued by the consolidating agent will reflect the amount to be included in the value for duty purposes.

Example 1

Goods which are invoiced FOB Nairobi, Kenya are airlifted to Mombasa where they are transported by ship to Beira. The goods are imported by rail into Zimbabwe. What documents are required?

Answers:-

Invoice showing FOB value

Airway bill to cover the journey from Nairobi to Mombasa Ocean freight statement from Mombasa to Beira.

Bill of Lading

Wharfage invoice

Port terminal handling charges

Rail Advice Note or Container rail Advice Note / invoice for Unit trains from Beira to the Zimbabwe border
Insurance certificate
Storage charges if applicable

Example II

Goods which are invoiced FOB Yokohama, Japan are moved by ship to Durban, then transported by road or rail to Harare. What documents are required?

Answer:-

Invoice showing FOB Value
Sea freight statement / invoice from Yokohama to Durban.
Bill of Lading.
Wharfage charges
Port terminal handling charges
Storage charges if applicable
Road Consignment Note or Rail Advice Note or Container Rail Advice Note / Invoice for Unit trains depending on the mode of transport to the Zimbabwe border. Insurance Certificate showing premium paid.

Example III

Goods purchased on CIF Harare terms from Malawi but imported through Nyamapanda. The invoice price includes transport to Harare, which is beyond the place of importation, but is not distinguished from the price.

How do you arrive at the freight to be included in the value for duty purposes?

Answer

If there is no statement from the seller of the amount included in the invoice price for the transport from Nyamapanda to Harare, the whole invoiced amount is dutiable, even if the haulier attempts to produce a breakdown. The onus is on the importer to produce a proper breakdown.

Example IV

Goods purchased on CIF Bulawayo terms, Goods imported through Beitbridge.

The invoiced amount includes transport to Bulawayo, which is beyond the place of importation Beitbridge but is not separately charged.

There is no statement from the seller of the amount included in the invoice price for the transport from Beitbridge to Bulawayo.

How do you calculate freight to be included in the value for duty purposes?

Answer:-

No deduction from the invoice price for post-importation transport costs can be made.

5.04 Incomplete or inadequate documentation

It is in the interests of the importer to correctly declare all dutiable elements, including freight and related charges to the place of importation and to produce documentary evidence listed in paragraph 5.06. If these documents are not produced or are not complete, the following alternatives will be invoked –

- .01 The release of the goods may be withheld;
- .02 The goods may be released on payment of a deposit pending final assessment after production of the required documents; or

5.05 Evidence of Costs, Charges and Expenses

Where it is claimed that the invoice price includes a non-dutiable cost, charge or expense this amount must be proved before a deduction can be allowed.

Where an invoice price excludes dutiable costs, charges or expenses, evidence of such cost must be submitted to the Authority to enable addition.

5.06 Treatment of Duty-inclusive price

Where an invoice price includes Zimbabwean duty, the included duty must be deducted from such price in determining transaction value.

To find the amount of duty included in the invoice price, use the formula:-

$$\text{Duty inclusive invoice price} \times \frac{\text{duty rate}}{100 + \text{duty rate}}$$

For example if the duty inclusive invoice price is \$1 100 and the rate of duty is 10%, the duty included in that invoice price is:-

$$\frac{\$1\ 100 \times 10}{100 + 10} = \frac{\$1\ 100 \times 10}{110} = \$100$$

Therefore the included duty is \$100.

The Value for Duty Purposes will be \$1 100 - \$100 = \$1 000.

NOTE: - The included duty is the last item to be deducted.

Formula for Duty Rate as a Percentage:

{(100 + Rate of Customs Duty) * Rate of Import Tax } + Rate of Customs Duty + Rate of Surtax.

Apportionment of Charges

5.07 If a consignment consists of different goods which have to be entered separately, charges for items such as inland freight, packing, overseas insurance and freight are to be apportioned on a pro-rata basis. Such apportionment for freight shall be based on weight/volume. Where these are not available, then selling prices / invoice prices of the goods may be used. The same principle shall apply in the case of the value of containers wherein the different goods, separately classified are transported, unless these containers are assessed for duty individually as separate items for customs purposes to which they relate. In all cases, however, the total of the split charges should balance with total freight amount.

Rates of exchange – Foreign Currency Conversion

5.08 The conversion of foreign currency into local currency for valuation purposes is dealt with in Section 115 of the Customs and Excise Act. This provides that conversion shall be based on the rate ruling at the time of clearance, as determined by the Commissioner in consultation with the Reserve Bank of Zimbabwe. The Commissioner will publish schedules of rates of exchange, which will be valid in respect of clearance for a specified period from the dates of each publication. The published rates of exchange will be available at all Authority Offices or may be obtained from the I.T. Division at Kurima House on telephone No. 797676 - 81 (Harare).

Rulings

5.09 Valuation rulings will be issued by the Commissioner from time to time as he deems fit.
[APPENDIX I]

EXTRACT: CUSTOMS AND EXCISE ACT [CHAPTER 23:02]

PART X
VALUE FOR DUTY PURPOSES

104 Interpretation in Part X

(1) In this Part—

“**Agreements**” means Article VII of the General Agreement on Tariffs and Trade, which was entered into at Geneva on the 30th October, 1947, and the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade, which was entered into at Geneva on the 12th April, 1979.

“**buying commission**”, in relation to imported goods, means an amount paid or payable by or on behalf of the importer directly or indirectly to a person who, as an agent of the importer, represented him abroad in the purchase and payment for the goods:

Provided that the amount paid by the importer shall not be taken to be buying commission unless the Commissioner-General is satisfied that the person acting as the agent did not or does not—

- (i) produce in whole or in part or control the production in whole or in part of the imported goods or any other goods whose value would be taken into account in determining the transaction value of the imported goods;
- (ii) render or control the rendering of any services whose value would be taken into account in determining or attempting to determine the price of the imported goods or other services of the same class; or
- (iii) transport the imported goods, or any other goods referred to in paragraph (i) within any foreign country or between a foreign country and Zimbabwe or within Zimbabwe, for any purpose associated with the manufacture or importation of the imported goods; or
- (iv) purchase, exchange, sell or otherwise trade in any of the goods referred to in paragraph (i) or render any of the services referred to in paragraph (ii) otherwise than in the capacity of an agent of the importer; or
- (v) in relation to any of the goods referred to in paragraph (i) or any of the services referred to in paragraph (ii), act as an agent for, or in any other way represent the producer, supplier or seller of the goods or the person who rendered the services, as the case may be, or otherwise be associated with any such person except as the agent of the importer; or
- (vi) claim or receive, directly or indirectly, the benefit of any commission, fee or other payment on any goods or services from any person as a consequence of the importation of the goods concerned other than commission received from the importer for the services rendered by that person in that transaction;

amended by Act 17 of 1999 from 19th January, 2001.

“**computed value**”, in relation to imported goods, means the value of the goods as determined by the Commissioner-General in terms of [section one hundred and ten](#);

“general expenses” means the direct and indirect costs, charges and expenses of producing and selling goods for export, other than the costs, charges and expenses referred to in [paragraphs \(a\) to \(d\) of subsection \(2\) of section one hundred and ten](#);

“goods of the same class or kind”, in relation to imported goods, means goods produced by a particular industry or industrial sector in the country from which the imported goods were exported and falling within the same group or range of goods as the imported goods;

“identical goods”, in relation to imported goods, means goods which—

- (a) are manufactured in the same country as the imported goods, whether by the same or a different manufacturer; and
- (b) save possibly for minor differences in appearance, are the same as the imported goods in all material respects, including physical characteristics, quality and reputation;

but does not include goods which incorporate or reflect engineering, development work, design work, plans or sketches undertaken in Zimbabwe;

“price actually paid or payable” in relation to imported goods, means the sum of—

- (a) all payments that have been made, or are to be made, in relation to such goods, by or on behalf of the importer—
 - (i) to the seller; or
 - (ii) to any person related to the seller, unless the Commissioner-General is satisfied that the seller has not derived and will not derive any direct or indirect benefit from the payment; or
 - (iii) to any other person for the direct or indirect benefit of the seller;

in accordance with the contract of sale or any other contract, agreement or arrangement, whether formal or informal, for doing anything to increase the value of the goods; and

- (b) the value as determined by the Commissioner-General of any consideration or services rendered, or to be rendered, directly or indirectly, by or on behalf of the importer—
 - (i) to the seller;
 - (ii) to any person related to the seller, unless the Commissioner-General is satisfied that the seller has not derived and will not derive any direct or indirect benefit from the payment; or
 - (iii) to any other person for the direct or indirect benefit of the seller;

“royalty” means an amount paid or credited as consideration for—

- (a) the making, use, exercise or selling of an invention or the right to make, use, exercise or sell an invention; or
 - (b) the use of, or the right to use—
 - (i) a design or trade mark;
 - (ii) confidential information; or
 - (iii) any machinery, implement, apparatus or other equipment;
- or
- (c) the supply of scientific, technical, industrial, commercial or other knowledge or information; or
 - (d) any assistance that is ancillary and subsidiary to, and is furnished as a means of enabling the application or enjoyment of any matter falling within paragraph (a), (b) or (c);
 - (e) a total or partial forbearance in respect of any matter falling within paragraph (a), (b) or (c);

“transaction value”, in relation to any goods, means the value determined in terms of [section one hundred and six](#);

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“similar goods”, in relation to imported goods, means goods which—

- (a) are manufactured in the same country as the imported goods, whether by the same or a different manufacturer; and
- (b) though not alike in all respects to the imported goods, have like characteristics and component materials which enable them to perform the same functions as and to be commercially interchangeable with the imported goods;

but does not include goods which incorporate or reflect engineering, development work, design work, plans or sketches undertaken in Zimbabwe;

“unit price”, in relation to imported goods that are sold, means the price of the goods in accordance with the contract of sale, divided by the number of the units of the goods.

(2) In the determination of whether or not any goods are similar to other goods for the purposes of this Part, regard shall be had, among other factors, to the quality of the goods, their reputation and their trademark, if any.

(3) For the purposes of this Part, persons shall be deemed to be related to each other only if—

- (a) they are officers or Commissioner-General’s of one another’s businesses;

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or

- (b) they are partners in business; or
- (c) they are employer and employee; or
- (d) in the case of bodies corporate, any other person directly or indirectly owns, controls, or holds **5%** or more of the issued voting stock or shares of both of them; or
- (e) 1 of them directly or indirectly controls the other; or
- (f) both of them are directly or indirectly controlled by a third person; or
- (g) together they directly or indirectly control a third person; or
- (h) they are members of the same family.

(4) Persons who are associated in business with one another in that the one is the sole agent, sole distributor or sole concessionaire, however described, of the other shall be deemed to be related to each other for the purposes of this Part only if they are so deemed in terms of [subsection \(3\)](#).

105 Value for duty purposes

(1) For the purpose of assessing the amount of any duty payable on any imported goods and for the purpose of any declaration or oath which may be required by this Act *or any other enactment in relation to any question of value or duty in connection with the importation of goods or goods which are likely to be imported, the value of such goods shall, subject to this Act, be the transaction value thereof as established or determined in terms of [sections one hundred and six](#) to [one hundred and twelve](#).

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(2) If the value of any goods required to be entered separately is **zw\$1** or less, no account shall be taken of such value.

106 Transaction value: primary method of valuation

(1) Subject to this Act, the value for duty purposes of any imported goods shall be the transaction value of the goods, that is to say, the price actually paid or payable for the goods when sold for export to Zimbabwe, adjusted in terms of [section one hundred and thirteen](#), if—

- (a) there are no restrictions as to the disposal or use of the goods by the buyer, other than restrictions which—
 - (i) are imposed or required by law; or
 - (ii) limit the geographical area in which the goods may be resold; or
 - (iii) do not substantially affect the value of the goods;and

- (b) the sale or price of the goods is not subject to any condition or consideration for which a value cannot be determined; and
 - (c) no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in terms of [section one hundred and thirteen](#); and
 - (d) subject to [subsection \(2\)](#), the buyer and the seller are not related.
- (2) The fact that a buyer and a seller are related shall not in itself be a ground for not accepting the transaction value, where—
- (a) in the opinion of the Commissioner-General, such relationship did not influence the price actually paid or payable for the goods concerned; or
 - (b) the importer proves to the satisfaction of the Commissioner-General that the transaction value closely approximates to one of the following values—
 - (i) the transaction value of identical or similar goods sold at or about the same time as the goods to be valued at comparable commercial and quantity levels to buyers in Zimbabwe who are not related; or
 - (ii) the value, determined in terms of [section one hundred and nine](#), of identical or similar goods imported into Zimbabwe at or about the same time as the goods to be valued.

amended by Act 17 of 1999 from 19th January, 2001.

107 Transaction value of identical goods: 1st alternative method

- (1) Subject to [section one hundred and eight](#) and of this section, if the value for duty purposes of any imported goods cannot be established in terms of [section one hundred and six](#), their value for duty purposes shall be the transaction value of **identical goods** which are—
- (a) sold for export to Zimbabwe at the same commercial level and in substantially the same quantity as the goods to be valued; and
 - (b) exported to Zimbabwe at or about the same time as the goods to be valued.
- (2) Where no sale such as is referred to in [paragraph \(a\) of subsection \(1\)](#) is found, the value for duty purposes of the imported goods concerned shall be established for the purposes of this section by a sale of identical goods that are sold for export to Zimbabwe at a different commercial level and additionally, or alternatively, in different quantities from the goods to be valued, adjustments being made to take account of differences in price attributed to commercial level and additionally, or alternatively, to quantity.
- (3) In establishing the value for duty purposes of any imported goods in terms of this section, all adjustment shall be made to take account of significant differences in the costs and charges referred to in [section one hundred and thirteen](#) between the goods to be valued and the identical goods concerned arising from differences in distances and modes of transport.
- (4) If, in the application of this section, more than 1 transaction value is determined, the lowest such value shall be taken as the value for duty purposes of the goods to be valued.

(5) An importer who wishes any imported goods to be valued in terms of this section shall, on request, produce to the proper officer either—

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- (a) a copy of a bill of entry on the basis of which the Department accepted the value of imported goods which were identical to the goods to be valued and which were entered **within 3 months** of the date of the goods to be valued; or
- (b) sufficient information to enable the proper officer to trace a bill of entry referred to in paragraph (a).

108 Transaction value of similar goods: 2nd alternative method

(1) Subject to [section one hundred and nine](#) and of this section, if the value for duty purposes of any imported goods cannot be established in terms of [section one hundred and six](#) or [one hundred and seven](#), their value for duty purposes shall be the transaction value of **similar goods** that are—

- (a) sold for export to Zimbabwe at the same commercial level and in substantially the same quantity as the goods to be valued; and
- (b) exported to Zimbabwe at or about the same time as the *goods* to be valued.

(2) [Subsections \(2\) to \(5\) of section one hundred and seven](#) shall apply, *mutatis mutandis*, to the valuation of goods in terms of this section as if references in those subsections to identical goods were references to similar goods.

109 Deductive value: 3rd alternative method

(1) Subject to the provisions of [section one hundred and eleven](#), if the value for duty purposes of any imported goods cannot be established in terms of [section one hundred and six](#), [one hundred and seven](#) or [one hundred and eight](#), their value for duty purposes shall be established in terms of this section:

Provided that, if prior to the commencement of the valuation of any imported goods the importer so requests, the Commissioner-General shall attempt to determine their value in terms of [section one hundred and ten](#) and, if their value cannot be so determined, it shall then be established in terms of this section.

amended by Act 17 of 1999 from 19th January, 2001.

(2) Subject to this section, if the goods to be valued, or identical or similar imported goods, are sold in Zimbabwe at or about the time of importation of the goods to be valued and in the same condition as that in which they were imported, the value for duty purposes of the goods to be valued shall be based on the unit price at which the goods to be valued, or the identical or similar imported goods, as the case may be, are so sold in Zimbabwe in the greatest aggregate quantity to persons who are not related to the importer.

(3) If the goods to be valued, or identical or similar imported goods, are not sold in Zimbabwe at or about the time of importation of the goods to be valued but are otherwise sold in Zimbabwe as provided in [subsection \(2\)](#), the value for duty purposes of the goods to be valued shall be

based, subject to this section, on the unit price at which the goods to be valued, or identical or similar imported goods, as the case may be, are sold in the greatest aggregate quantity in such a sale transacted at the earliest date after the importation of the goods to be valued, but **not later than 90 days** after such importation.

(4) If the goods to be valued, or identical or similar imported goods, are not sold in Zimbabwe in the same condition as that in which they were imported, then, whether or not the importer so requests, the value for duty purposes of the goods to be valued shall be based, subject to this section, on the unit price at which the goods to be valued, or the identical or similar imported goods, as the case may be, are sold after further processing in the greatest aggregate quantity to persons in Zimbabwe who are not related to the importer.

(5) In valuing goods in terms of this section, deductions shall be made, where appropriate, for—

- (a) commissions usually paid or agreed to be paid, or additions usually made for profit and general expenses, in connection with sales in Zimbabwe of goods of the same class or kind as the goods to be valued, irrespective of the country of exportation;
- (b) any costs of transportation and the cost of loading, unloading, handling and insurance and associated costs incidental to the transportation of the goods within Zimbabwe from their place of importation;
- (c) any duty or tax payable in Zimbabwe by reason of the importation or sale of the goods;
- (d) in the case of goods to which the provisions of [subsection \(4\)](#) apply, any increase in the value attributable to the further processing referred to in that subsection.

(6) For the purpose of establishing the unit price of any goods in terms of this section, an officer may accept a sales invoice or price list relating to the goods concerned at the relevant time.

110 Computed value: 4th alternative method

(1) Subject to [section one hundred and eleven](#) and this section, if the value for duty purposes of any imported goods cannot be established in terms of [section one hundred and six](#), [one hundred and seven](#), [one hundred and eight](#) or [one hundred and nine](#), their value for duty purposes shall be the computed value of the goods as determined by the Commissioner-General in terms of this section.

amended by Act 17 of 1999 from 19th January, 2001.

(2) The computed value of any imported goods shall be an amount computed in accordance with generally accepted accounting principles and shall be arrived at on the basis of information supplied by the producer of the goods in question, taking into account the following factors—

- (a) the value of the materials used in producing the goods to be valued; and
- (b) the costs, charges and expenses incurred by the producer in, or in connection with, the production of the goods to be valued; and

- (c) packing costs or charges for materials or labour incurred in connection with the goods to be valued; and
- (d) the value of any of the goods and services referred to in [paragraph \(b\) of subsection \(1\) of section one hundred and thirteen](#), determined and apportioned to the goods being imported as referred to in that section, whether or not such goods and services have been supplied free of charge or at a reduced cost; and
- (e) the cost of transport and insurance and associated costs incidental to delivery of the imported goods at the port or place of export in the country of exportation; and
- (f) profit and general expenses usually added by producers in the country of export in sales of goods of the same class or kind as the goods to be valued when sold by the producers to purchasers who are not related to those producers at the time of the sale.

111 Fall-back method of valuation: Final alternative method

(1) If the value for duty purposes of any imported goods, other than non-merchandise goods as defined in [subsection \(1\) of section one hundred and twelve](#), cannot be established or determined in terms of [sections one hundred and six](#) to [one hundred and ten](#), the Commissioner-General shall establish it, subject to this section—

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- (a) on the basis of a previous determination; or
 - (b) by applying any of the provisions of [section one hundred and six](#) to [one hundred and nine](#) with such modifications and adaptations as he considers reasonable and necessary in the circumstances; or
 - (c) by using any other reasonable means consistent with the principles and general provisions of the Agreements as the Commissioner-General considers appropriate in the circumstances of the particular case.
- (2) The Commissioner-General shall base any determination in terms of [subsection \(1\)](#) on information available in Zimbabwe.
- (3) The Commissioner-General shall not base any determination in terms of [subsection \(1\)](#) on any of the following—
- (a) the selling price in Zimbabwe of goods manufactured in Zimbabwe; or
 - (b) a system which provides for the acceptance of the higher of two alternative values;
or
 - (c) the price of goods on the domestic market of the country of exportation of the goods to be valued; or
 - (d) the cost of production of the goods to be valued or of identical or similar goods; or
 - (e) the price of the goods to be valued, when sold for export to a country other than Zimbabwe; or

- (f) a system of minimum customs values; or
- (g) arbitrary or fictitious values.

(4) Whenever the transaction value of imported goods is to be determined in terms of this section, the importer shall produce to the proper officer such documentary evidence relating to the determination as the proper officer may require.

amended by Act 17 of 1999 from 19th January, 2001.

111A Method of valuation in cases where truth of accuracy of importer's statement is in doubt

If the Commissioner-General or proper officer has reason to doubt the truth or accuracy of any statement made by the importer of any goods for the purposes of determining the transaction value of the goods in terms of [section one hundred and six](#)—

- (a) the Commissioner-General or proper officer shall require the importer to provide further information to prove the accuracy of the statement; and
- (b) if, after considering any further information that the importer may have provided in terms of paragraph (a), the Commissioner-General or proper officer still doubts the truth or accuracy of the statement, he shall reject the statement and require the goods to be valued by whichever of the methods defined in [sections one hundred and seven](#) to [one hundred and eleven](#) is appropriate.

amended by Act 17 of 1999 from 19th January, 2001

W Investments (Pvt) Ltd v ZIMRA [15-HH-866](#)

112 Valuation of goods imported privately

(1) In this section—

“non-merchandise goods” means goods imported by an individual for his own use in Zimbabwe but not for trade purposes.

(2) If, in the opinion of the Commissioner-General, the declared value for duty purposes of non-merchandise goods—

- (a) does not reflect a *bona fide* open market sale price between unrelated parties; or
- (b) has not been established or has been incorrectly declared by the importer;

the Commissioner-General may determine the value on the basis of a previous determination or, if there is no such determination, by applying any of the provisions of [section one hundred and six](#) to [one hundred and ten](#), with such modifications and adaptations as he considers reasonable and on the basis of any information available to him.

amended by Act 17 of 1999 from 19th January, 2001.

113 Adjustments to be made in calculating value for duty purposes of imported goods

(1) In determining the value for duty purposes of any imported goods in terms of [section one hundred and six](#), there shall be added to the price actually paid or payable for the goods—

- (a) the following, to the extent that they are incurred by the buyer but are not included in the price actually paid or payable—
 - (i) commission and brokerage except buying commission incurred in the actual purchase of the goods; and
 - (ii) the cost of containers which are treated as being one for customs purposes with the goods in question; and
 - (iii) the cost of packing, whether for labour or materials;and
- (b) the value, apportioned to the imported goods as considered appropriate by the Commissioner-General, of any of the following goods and services if supplied directly or indirectly by the importer free of charge or at reduced cost, for use in connection with the production and sale for export of the imported goods, to the extent that such value has not been included in the price actually paid or payable—
 - (i) materials, components, parts and similar items incorporated in the goods to be valued; and
 - (ii) tools, dies, moulds and similar articles used in the production of the goods to be valued; and
 - (iii) materials consumed in the production of the goods to be valued; and
 - (iv) engineering, development work, art work, design work, plans and sketches undertaken elsewhere than in Zimbabwe and necessary for the production of the goods to be valued;

amended by Act 17 of 1999 from 19th January, 2001.

and

- (c) royalties and licence fees, including any payments for patents, trade marks or copyright and for the right to distribute or resell the goods, but not including charges for the right to reproduce the goods in Zimbabwe, which the buyer is required to pay, directly or indirectly, as a condition of sale of the goods for export to Zimbabwe, to the extent that such royalties and fees are not included in the price actually paid or payable for the goods to be valued; and
- (d) the value of any part of the proceeds of any subsequent resale disposal or use of the goods to be valued that accrues directly or indirectly to the seller.

(2) In determining the value for duty purposes of any imported goods in terms of [sections one hundred and six](#) to [one hundred and twelve](#), there shall be added to the price actually paid or payable for the goods—

- (a) the cost of transport and insurance from the place of manufacture to the place of export and all other charges and expenses incidental to placing the goods on board the means of transport by which the goods are removed from the country of exportation, if such cost is not included in the price actually paid or payable for the goods to be valued; and
- (b) if the goods in question have to be exported to Zimbabwe through another country, freight, insurance and other charges from the country of supply to the country where the goods are placed on board the means of transport for direct transportation to Zimbabwe, if such cost is not included in the price actually paid or payable for the goods to be valued; and
- (c) the cost of freight and insurance from the place where the goods were placed on board the means of transport by which they were removed to Zimbabwe to the place of importation in Zimbabwe, if such cost is not included in the price actually paid or payable for the goods to be valued:

Provided that—

(i) where the goods to be valued were imported by air transport, the cost of freight and insurance shall be deemed to be **15%** of the free on board (**FOB**) value of the goods to be valued plus any charges and expenses referred to in paragraph (b), unless the importer satisfies the proper officer to the contrary;

(ii) where the goods to be valued were imported by air transport free of charge or at reduced cost or are commercial goods brought in as passengers' baggage, the cost of freight and insurance shall be deemed to be **15%** of the free on board (**FOB**) value of the goods to be valued plus charges and expenses referred to in paragraph (b);

(iii) where the goods to be valued were imported by any transport other than air transport, the cost of insurance shall be deemed to be **1%** of the free on board (**FOB**) value of the goods to be valued unless the importer satisfies the proper officer to the contrary;

(iv) where the goods to be valued were imported by any transport, other than air transport, free of charge, or at reduced cost or are commercial goods brought in as passengers' baggage or by means of transport owned by the importer and there is no documentary evidence of the delivery cost from the place where the goods are loaded into the importer's means of transport, the cost of freight shall be deemed to be—

A. 5% of the free on board (**FOB**) value of goods, in addition to the proved sea, air or other freight charges from the country of original export, where applicable, when the goods were transported from Botswana, South Africa, Lesotho, Swaziland, Mozambique, Zambia, Namibia or Malawi;

B. 7.5% of the free on board (**FOB**) value of the goods, in addition to the proved sea, air or other freight charges from the country of original export, where applicable, when the goods were transported from any country in Africa other than a country referred to in paragraph A of this proviso;

(v) an importer shall, on demand, produce to an officer a statement of air, sea and other freight charges whenever goods referred to in subparagraph A or B of proviso (iv) are to be valued; and

(d) in the case of goods imported by post, all charges for postage and insurance which are reflected on or in any document accompanying the postal article:

Provided that, where the postage and insurance cannot be ascertained in this manner, the postage and insurance shall be deemed to be 15% of the free on board (FOB) value of the goods to be valued.

(3) In determining the value for duty purposes of any imported goods in terms of [sections one hundred and six](#) to [one hundred and twelve](#), there shall be deducted from the price actually paid or payable for the goods, to the extent that they are included therein amounts equal to—

(a) the cost of transportation, loading, unloading, handling, insurance and associated costs incidental to the transportation of the goods within Zimbabwe from their place of importation; and

(b) buying commission, if identified separately from the price actually paid or payable for the goods.

114 Bill of entry or release of goods not to constitute valuation

Neither the acceptance by an officer of a bill of entry stating the value of any imported goods nor the release by an officer of any imported goods following the presentation of such a bill of entry shall constitute a determination of the value of such goods for the purposes of this Part.

C F (Pvt) Ltd v ZIMRA [18-HH-099](#)

115 Payment of duty in foreign currency

Section substituted by Act 3 of 2009 with effect from the 30th January, 2009.
See the additional sub-section section below (2), published—
See earlier decision *Benchman Investments (Pvt) Ltd v ZIMRA* [04-HH-090](#) Editor

(1) The Minister may, notwithstanding [section 41 of the Reserve Bank of Zimbabwe Act \[Chapter 22:15\]](#) or anything provided by or under the [Exchange Control Act \[Chapter 22:05\]](#), require every person, including a resident of Zimbabwe, who imports any item of goods (hereafter in this section called a “**foreign currency dutiable item**”) designated by the Minister by notice in a *statutory instrument* to be a foreign currency dutiable item, to pay any duty and import or value-added tax payable on such item in United States dollars (or in the case where the value or cost of any luxury item is expressed in the currency of a foreign country, other than the United States dollar, the value or cost shall be converted to United States dollars at the

international cross rate of exchange of that currency for the United States dollar prevailing on the day of the conversion):

Provided that where any amount of duty and import or value-added tax thus payable may require payment to be made in coins, the Commissioner-General is authorised to increase or reduce the amount to the nearest figure to enable payment to be made in notes only.

(2) [Section thirty-nine](#) applies to foreign currency dutiable items as it applies to other goods in the event of default of entry thereof, except that, notwithstanding [section 41 of the Reserve Bank of Zimbabwe Act \[Chapter 22:15\]](#) or anything provided by or under the [Exchange Control Act \[Chapter 22:05\]](#), bids at a sale by public auction of foreign currency dutiable items conducted in terms of [section thirty-nine \(2\)](#) shall be made in United States dollars, Euros or any other currency denominated under the Exchange Control (General) Order, 1996 ([Statutory Instrument 110 of 1996](#)):

Provided that where a foreign currency other than the United States dollar is used for the purposes of this subsection, the duty and import or value-added tax due shall be calculated by converting that foreign currency into United States dollars at the international cross rate of exchange of that currency for the United States dollar prevailing on the day of the conversion.

(3) The Minister may, in terms of [subsection \(1\)](#), designate all items in the customs tariff to be foreign currency dutiable items.

Editor's Note: the following additional sub-section below (2), is published in Arial font as a repeat of [Section 37\(2\) of the Finance Act 2009](#), and not as part of this Act [Chapter 23:02](#)

(2) The collection by the Zimbabwe Revenue Authority of customs duty and import or value-added tax on the basis that—

- (a) [section 115 of the Customs Act \[Chapter 23:02\]](#) as substituted by the Finance Act, 2009, **had come into force on the 30th January, 2009**; and
- (b) the Minister responsible for finance had, on the 30th January, 2009, designated all items in the customs tariff to be foreign currency dutiable items in terms of subsection (3) of the provision referred to in paragraph (a);

is hereby validated.

The Finance Act 2009 came into force when it was promulgated by Gazette Extra-Ordinary on the **23rd April, 2009** – Editor.

116 Value for purpose of excise duty and surtax on goods locally manufactured

(1) In this section—

“**dutiable value**”, in relation to goods, means the value determined in terms of [subsection \(2\)](#);

“**factory cost**” means the sum of all the costs, direct and indirect, incurred by the manufacturer in the manufacture, finishing and packing of goods—

- (a) before their removal from the licensed premises of the manufacturer; or

- (b) for use in the manufacture of other goods on the licensed premises of the manufacturer;

and includes, where the goods are manufactured on behalf of another person from materials supplied by or on behalf of that person, the cost of the materials supplied by or on behalf of that person and any costs incurred in delivering those materials to the licensed premises of the manufacturer;

“**goods**” means goods subject to excise duty or surtax;

“**selling price**” means the price at which the manufacturer sells any goods in the ordinary course of trade to merchants in Zimbabwe for warehousing without payment of the excise duty or surtax thereon.

(2) The value for the purposes of assessing the amount of excise duty or surtax payable on goods manufactured in Zimbabwe shall be the value as determined by the Commissioner-General from time to time.

(3) In determining the dutiable value of any goods, the Commissioner-General shall have regard to any information supplied to him by the manufacturer or any other information available to him and shall, as far as practicable in the light of such information, determine the dutiable value as—

- (a) the factory cost plus **25%** of such cost or such percentage as may be prescribed in relation to any class of goods; or
- (b) the selling price, if any, if that price is greater than the amount referred to in paragraph (a).

(4) The manufacturer of any goods shall, **within 1 month** after the receipt of a request from the Commissioner-General or within such further period as the Commissioner-General may allow, submit to the Commissioner-General a declaration in such form as the Commissioner-General may require, giving an analysis of—

- (a) the factory cost; and
- (b) the amount by which the factory cost is exceeded by—
- (i) the selling price, if any; and
- (ii) the price, including the excise duty or surtax, if any, at which the manufacturer sells the goods in the ordinary course of trade to merchants in Zimbabwe.

(5) A declaration for the purposes of [subsection \(4\)](#) shall be prepared at the expense of the manufacturer by an accountant or auditor approved by the Commissioner-General and shall be signed by the manufacturer and the accountant or auditor who prepared it.

(6) The Commissioner-General shall, if—

- (a) the declaration referred to in [subsection \(4\)](#) is, in his opinion, satisfactory; and
- (b) it appears to him that the determination made in terms of [subsection \(2\)](#) was incorrect;

again determine the dutiable value in accordance with [subsection \(3\)](#).

(7) If the declaration referred to in [subsection \(4\)](#)—

(a) is not submitted in accordance with this section; or

(b) is submitted but is, in the opinion of the Commissioner-General, deficient, inaccurate or for any other reason unsatisfactory;

the Commissioner-General shall reconsider the determination made in terms of [subsection \(2\)](#) in the light of such information as may be available to him, and if it appears to him, in the light of that information, that the determination made in terms of that subsection was incorrect, he shall again determine the dutiable value in accordance with [subsection \(3\)](#).

(8) If, by virtue of any determination made in terms of [subsection \(6\)](#) or [\(7\)](#), the dutiable value of goods is less than the dutiable value determined in terms of [subsection \(1\)](#), any excess of excise duty or surtax which has been paid on such goods shall be refunded to the manufacturer notwithstanding anything contained in [section one hundred and twenty-five](#).

amended by Act 17 of 1999 from 19th January, 2001.

117 Value of exported goods

The value for customs purposes of any exported goods shall be—

(a) the free on board (**FOB**) value; or

(b) in the case of goods for which there is no free on board (**FOB**) value, the value as determined by the Commissioner-General.

Provided that in the case of goods which are exported in substantially the same state as they were imported into Zimbabwe, the free on board value (**FOB**) shall not be less than the value for duty purposes determined in terms of [section one hundred and five](#).

amended by Act 17 of

[APPENDIX II]

VALUATION-QUESTION TIME

1. BUYER AND SELLER RELATED

Question:

Is the Transaction value of the imported goods acceptable as a basis for establishing a value for duty purposes in a sale where the seller and the buyer are related?

Answer:

- (a) If the buyer is related to the seller, the price paid or payable can be accepted as the Transaction value so long as the importer can prove to the satisfaction of the Commissioner that the relationship has not influenced the price that is, -
- (i) he can show that unrelated importers at the same commercial level pay the same price for the same quantity of goods, or
 - (ii) the price is adequate to ensure recovery of all costs incurred plus an appropriate amount for profit.
- (b) The price paid or payable will be accepted under the Transaction Value Method if it can be shown it is close to:-
- (i) the transaction value of identical or similar goods exported to Zimbabwe in sales between buyers and sellers who are unrelated; or
 - (ii) the value for duty purposes of identical or similar goods arrived at under the Deductive method.

These values must have been accepted by Zimbabwe Revenue Authority at or about the same time as the importation of the goods to be valued.

2. DUTIABLE AND NON-DUTIABLE ELEMENTS IN THE TRANSACTION VALUE

Question:

What items must I add to the price paid or payable to arrive at the value for duty purposes?

Answer:

You must add the following to the price you pay (unless they are already included):

- (a) **Delivery costs:** The costs of transport, insurance, loading or handling connected with delivering the goods to the Zimbabwe border must be included.
- (b) **Commission:** Commission and brokerage, including selling commission, must be included.

BUT buying commission is to be excluded.

- (c) **Royalties and licence fees.** Include your payments of these items which relate to the imported goods and are paid by you as a condition of the sale.
- (d) **Goods and services provided free of charge or at reduced cost by the buyer.**

If you provide, directly or indirectly, any of the following, you must include in the value for duty purposes any part of the cost or value not included in the price.

- (i) materials, components, parts and similar items incorporated in the imported goods including price tags, labels;
 - (ii) tools, dies, moulds and similar items used in producing the imported goods, that is, tooling charges, there are various ways of apportioning these charges. Contact Values Section for advice.
 - (iii) materials consumed in producing the imported goods, e.g. abrasives, lubricants, catalysts, reagents, etc. which are used up in the manufacture of the goods but are not incorporated in them;
 - (iv) engineering, development, art work, design work and plans and sketches carried outside Zimbabwe and necessary for producing the imported goods. This excludes the cost of preliminary research and design sketches not directly used in the actual production.
- (e) **Containers and packing.** Include:
 - (i) the cost of containers which are treated for customs purposes as being one with the goods being valued (that is, not freight containers which the hirecost of which forms part of the transport costs); and
 - (ii) the cost of packing whether for labour or materials.

(f) **Proceeds of resale:**

If you are to share with the seller (whether directly or indirectly) the profit from resale, use of disposal of the imported goods, add the seller's share to the price paid. For example if the seller is to have 30% of the profit which you receive, this is to be added to the price paid or payable. If at the time of importation the amount of profit is not known, you must request resale of the goods against a deposit.

Question:

Which items may be excluded from the value for duty purposes?

NOTE – You will be required to produce evidence to support any claim to leave any of these out of the value of duty purposes.

Answer:

(a) **Zimbabwe duties or taxes:**

You can deduct from the price, included customs duty or other taxes which are payable in Zimbabwe because of the importation or sale of the goods.

To find the amount of duty included in the invoice price, use the formula:

Duty inclusive invoice prices $\times \frac{\text{duty rate}}{100 + \text{duty rate}}$

For example if the duty inclusive invoice price is \$1 100 and the rate of duty is 10% the duty included in that invoice price is:

$$\frac{\$1\ 100 \times 10}{100 + 10} = \frac{\$1\ 100 \times 10}{110} = \$100$$

Therefore the included duty is \$100.

NOTE – The included duty is the last item to be deducted.

(b) **Internal Delivery Costs:**

The cost of transport, insurance, loading or handling connected with delivering the goods within Zimbabwe must be excluded.

(c) Taxes paid in the country of origin or export

If you benefit from tax relief or repayment of taxes paid in the country of origin or export, these taxes may be left out, provided that proof of refund is produced.

(d) Discounts: Trade, quantity or cash discounts can be left out, that is, the price paid or payable net of these discounts is acceptable, if they are well described and acceptable.

(e) Post Importation activities related to the imported goods

You may leave out the cost of the following activities which you carry out on your own account.

- construction work;
- erecting; assembling; maintaining; giving technical help;
- for goods such as industrial plant, machinery or heavy equipment. The work must be carried out after importation **AND** the charge must be distinguished from the price paid or payable.

(f) Marketing activities related to the imported goods:

You may leave out the cost of the following activities, which you carry out, on your own account. advertising; promotion guarantee warranty

(g) Buying Commission:

As defined in Section 104 of the Act, refer to Appendix 1.

3. CREDITS ON EARLIER TRANSACTIONS

Question:

How are financial credits in respect of earlier import transactions treated when valuing a later shipment of goods, which has received the benefit of that credit?

Answer:

The amount shown as credit is to be included in the value for duty purposes of the later shipment.

EXPLANATION:

The definition of “price actually paid or payable” in Section 104 of the Act is the total payment made, or to be made, to the seller for the imported goods.

The amount of credit is, in effect a payment already made to the seller by the importer. Under Section 104 of the Act, that credit forms part of the price paid or payable and is therefore to be included in the value for duty purposes of the later shipment. In other words, that amount and the resulting total becomes the basis of the transaction value.

Example:

Imported goods	100 currency units
Credit on earlier transaction	<u>20 currency units</u>
Invoice total	80 currency units

Basis for transaction value is 100 currency units.

Customs valuation of the earlier shipment (which gave rise to the credit) may then require separate review to ascertain whether it should be adjusted. Consequently, grounds may exist for a refund under Section 125 of the Act of any duty overpaid on that earlier shipment.

4. TREATMENT OF VARIOUS DISCOUNTS (IN PRICE)

Question:

What is the customs treatment of various discounts in arriving at transaction value?

Answer:

In general, specified and acceptable discounts and other reduction in the price actually paid or payable are recognised in determining the transaction value of goods.

All reductions in price appearing on documentation presented must be adequately and correctly described. Unspecified discounts will be disallowed. Discounts may be subject to query to establish their nature and proof of their correctness.

Additionally, “inter-company” and like discounts, which would indicate, that the price between the parties may have been influenced by a relationship will be examined and may be rejected if their bona fides are not satisfactory.

5. PRICE AVERAGING

Question:

What is the customs valuation treatment of importations where prices have been averaged?

Answer:

Where a sale of goods takes place at individually agreed prices and such prices are averaged for customs purposes the resultant average prices are not acceptable when determining the customs value.

EXPLANATION

The concept of price averaging involves the averaging of a number of prices for different goods where there are a number of goods purchased for a lump sum. Averaging prices for Customs purposes may have the effect of reducing the amount of duty payable, for example, electrical equipment classifications (televisions and computer monitors) with differing rates of duty.

The statutory definition of “price actually paid or payable” in the Act enables the proper officer to reject average prices.

Where sufficient and reliable information is not available it will be necessary to consider another valuation method.

6. FREE OF CHARGE GOODS (INCLUDING SAMPLES: WARRANTY REPLACEMENT, PROMOTIONAL AND OTHER NO CHARGE GOODS)

Question:

How are “free of charge” goods including samples, warranty replacement, promotional and other no charge goods treated for valuation purposes?

Answer:

Zimbabwe’s Customs legislation requires that a value for duty purposes be determined for all imported goods. This includes nominally or genuinely free of charge goods.

EXPLANATION

(i) ***Nominal “free of charge” goods***

Examples may include cases where the cost/value of samples, promotional goods or other charge is incorporated into the seller’s price for the overall consignment of goods.

If the no charge goods are identical or similar to a previous importation, they may be valued under the identical or similar goods methods of valuation.

(ii) ***Genuine “free of charge” goods***

Examples may include warranty replacement or other no charge goods that do not relate to any previous transaction and are not the subject of a sale.

Other examples may include cases where the cost/value of samples, promotional goods or other no charge goods is not incorporated into the seller’s price for the overall consignment of goods.

In these cases, as there is no price as defined, the value for duty purposes must be established by reference to the alternative valuation methods in Section 107 - 111.

NOTE: In all cases, the determination of a value for duty purposes is dependent upon a Station Manager having sufficient and reliable information concerning each commodity in an importation.

7. USED GOODS

Question:

How do I arrive at the value for duty purposes?

Answer:

- (a) Goods acquired in a used condition, i.e. secondhand goods but which were not used by you before importation in Zimbabwe.

The rules set out in section 106 to 111 of the Act are to be followed for merchandise or commercial goods while the value for private imports will be determined by the Commissioner. No special treatment will be necessary.

- (b) Goods acquired new or in a used condition and used or further used in a third country before importation into Zimbabwe.

Where the period and extent of use between acquisition and importation into Zimbabwe results in the goods being worth less at time of importation than at acquisition, you need not use the transaction value of the imported goods.

You can try Transaction value of identical or similar goods if identical or similar goods of the same age and in the same condition are imported. The Deductive value method may be used if the goods are sold to unrelated buyers in Zimbabwe.

Generally the value for duty purposes can be based on the value of the goods at acquisition less an amount for loss of value due to the usage. Consultation between the importer and Zimbabwe Revenue Authority officers will facilitate the determination of extent of usage (depreciation).

8. GOODS LOST OR DAMAGED

Question:

How do I arrive at the value for duty purposes when part of the consignment is lost or damaged?

Answer:

No duty is due on goods shown to have been short shipped or lost in transit before their arrival at the place of importation.

Where goods are damaged, if you can prove to ZIMRA that damages occurred before their arrival at the place of importation you can ask for value for duty purposes to be amended.

The goods should be produced to ZIMRA for examination.

Sufficient evidence for lost or damage should be produced. It is not possible to list all acceptable forms of evidence but the following are examples:-

- (a) a credit note from the seller;
- (b) a statement from the ZIMRA Official who examined the goods on importation;
- (c) a certificate of condemnation;
- (d) a statement from an independent expert e.g surveyor etc;
- (e) details of settlement of claim against insurer or carrier.
- (f) a statement from the Medical Officer of Health.
- (g) police report

Depending on the evidence you can produce, the value for duty purposes can be arrived at by;

- (a) apportioning the original price paid or payable to take account of partial loss or damage;
or
- (b) using the revised price paid or payable where the seller reduces the price as a result of the loss or damage; or
- (c) using the price at which you sell the damaged goods.

9. **PRIVATELY IMPORTED GOODS**

Question:

How privately imported goods are to be valued?

Answer:

The value for duty purposes of the goods will normally be accepted if it reflects a bona fide open market sale price. If it does not or if it has not been correctly declared by the importer through false or inadequate documentation, the Commissioner will determine the value for duty purposes using the provisions of Section 112 of the Act.

In addition delivery costs will be added to the value so determined as explained in Chapter 4 if goods are unaccompanied.

10. **RELEASE OF GOODS ON DEPOSIT**

Question:

What procedure shall be followed if the required valuation documentation is not available, incomplete or fails to disclose all information required.

Answer:

The officer may, if he thinks fit and as a condition for the release of the goods, permit the person who entered the goods to deposit with him, in lieu of production of the required document a sum to be determined by that officer. If the document is not produced within a period specified by that officer, the sum so deposited will be forfeited to the State in terms of Section 44 of the Act.

11. VALUATION RULINGS

Question:

Will it be necessary to obtain a ruling from ZIMRA before importing goods under the WTO Valuation System?

Answer:

Generally, it will not be necessary to obtain a ruling from ZIMRA prior to importing goods. However, it may often be desirable to do so where circumstances exist that may cause some uncertainty as to the method or value for duty purposes which is to be declared.

In such cases, ZIMRA would examine the existing conditions with respect to the transactions and provide an opinion as to the proper value or method to be declared. Rulings will be provided by ZIMRA on request. For more information on this contact.

Valuation Section at

Harare Port
Customs House
No 3 South Avenue
HARARE

or

Bulawayo Corporates
Customs House
8th Avenue / Fort Street
BULAWAYO

or

or

ZIMRA Office
Zimre Centre
109 Herbert Chitepo Street
MUTARE

ZIMRA Office
Zimre Centre
Cnr Hughes St and Simon Mazorodze
MASVINGO

or any ZIMRA Customs House in Zimbabwe.

IDENTICAL OR SIMILAR GOODS METHODS – ADJUSTED FOR LEVEL AND QUANTITY

Same commercial level and quantity – no adjustment required.

EXAMPLES

FACTS

You are a wholesaler who imports 1 700 articles for which the transaction value method cannot be used.

- (ii) You can produce a customs entry for 1 700 articles of identical/similar goods imported by a wholesaler. This entry has been accepted by ZIMRA under transaction value method. The Customs value is 6 units per article CIF.

CONCLUSION

As the quantity and the commercial level are the same no adjustment is needed. The value of 6 units per article CIF is acceptable as the value for duty purposes under transaction value of identical or similar goods methods.

- (b) Same commercial level but different quantity – no adjustment required.

FACTS

- (i) You are a wholesaler who imports 2 000 articles for which the transaction value method of valuation cannot be used.
- (ii) You can produce a customs entry for 1 700 articles of identical / similar goods imported by a wholesaler. This entry has been accepted by ZIMRA under the transaction value method. The customs value is 6 units per article CIF.
- (iii) It has been established that the supplier of the identical /similar goods sells at 6 units per article CIF to wholesalers regardless quantity ordered.

CONCLUSIONS

As commercial level is the same and the quantity ordered does not affect the price, no adjustment is needed. The value if 6 units per article CIF is acceptable as the value for duty purposes under transaction value of identical or similar goods methods.

- (c) Different commercial level and quantity – no adjustment required.

FACTS

- (i) You are a wholesaler who imports 1 500 articles for which the primary method of valuation cannot be used.
- (ii) You can produce a customs entry for 1 200 articles of identical / similar goods imported by a retailer. This entry has been accepted by ZIMRA under the primary method .The value for duty purposes is 6 units per article CIF.
- (iii) It has been established that the supplier of the identical /similar goods sells at 6 units per article CIF regardless of the quantity ordered and the commercial level of the customer.

CONCLUSION

As the commercial level is the same and the quantity ordered does not affect the price, no adjustment is needed. The value of 6 units per article CIF is acceptable as the value for duty purposes under first and second alternative methods.

(d) Same commercial level but different quantity – adjustment required.

FACTS

- (i) You are a wholesaler who imports 1 700 articles for which the primary method of valuation cannot be used.
- (ii) You can produce a customs entry for 2 300 articles of identical/ similar goods imported by a wholesaler. This entry has been accepted by ZIMRA under primary method. The customs value is 4.75 units per article CIF.
- (iii) It has been established that the supplier of the identical/similar goods sells at different prices depending on the quantity ordered.
The price list shows that for:
 - less than 2000 articles the price is 5 units.
 - 2000 articles or more the price is 4.75 units.

CONCLUSION

As the commercial level is the same no adjustment is required for commercial level. The price list shows that the price of 1 700 articles is 5 units per article. Therefore the value of the identical/similar goods must be increased by 0.25 units per article. The value of 5 units per article CIF is acceptable as the customs value under the first and second alternative methods.

(e) Different commercial level but same quantity - adjustment required.

FACTS

- (i) You are a wholesaler who imports 2 800 articles for which the transaction value method cannot be used.
- (ii) You can produce a customs entry for 2 800 articles of identical/ similar goods imported by a retailer. This entry has been accepted by ZIMRA under transaction value method. The value for duty purposes is 2.5 units per article CIF.
- (iii) It has been established that the supplier of the identical/similar goods sells at different prices depending on the commercial level of the customer. The price list shows that for wholesalers a 20% discount is given. Retailers pay the list price.

CONCLUSION

As the quantity is the same no adjustment is required for quantity.

An adjustment is required for commercial level. The price list shows that wholesaler receives 20% discount. Therefore the value of the identical/similar goods must be decreased by $2.5 \times 20\% = 0.5$ units. The value of 2 units per article CIF is acceptable as the value for duty purposes under transaction value of identical or similar goods methods.

(f) Different commercial level and quantity- adjustment required.

FACTS

You are a wholesaler who imports 2500 articles for which the transaction value method cannot be used.

You can produce a customs entry for 1 500 articles of identical/similar goods imported by a retailer. This entry has been accepted by ZIMRA under the transaction value method. The value for duty purposes is 2.5 units per article CIF.

It has been established that the supplier of the identical/similar goods sells at different prices depending on the quantity ordered. A 20% discount is also given to wholesalers. The price list shows that for:-

Less than 2 000 articles the price is 2.5 units

2 000 articles or more the price is 2 units.

CONCLUSION

An adjustment is required for quantity. The price list shows that the price of 2 500 articles is 2 units per article therefore the value of the identical/similar goods must be decreased by 0.5 units per article. Also an adjustment is required for commercial level. The wholesaler receives a 20% discount therefore the value of the identical/similar goods which has already been adjusted for quantity (i.e. 2 units per article) must be decreased by $(2 \times 20\% = 0.4)$ 0.4 units.

The value of 1.6 units per article CIF is acceptable as the value for duty purposes under the transaction value of identical or similar goods.

{APPENDIX III}

COMPLETION OF VALUE DECLARATION FORM

FORM 52 A

**IMPORTERS DECLARATION OF PARTICULARS RELATING TO CUSTOMS VALUE
(FOR TRANSACTION VALUE METHOD ONLY)**

Completing the front of the declaration (reproduced on the facing page).

- Box 1 Insert the full name and address of the importer.
- Box 2 Insert the full names and address of the seller.
- Box 3 Insert the number and date of each invoice.
- Box 4 Insert the terms of delivery e.g. FOB Rotterdam, CIF Harare.
- Box 5 Insert the number and date of contract.
- Box 6 Insert the reference number and date of any relevant valuation Section decision or Ruling.
- Box 7(a) Persons are deemed to be related as stated in the footnote to the form. A definition of members of the same family for the purposes of Section 104(3) of the Customs and Excise Act is found in paragraph 2.04 of this Manual.
See paragraph 2.05 of this Manual.
- The reply to this question is optional. The production of information about “test values” to support the declarant’s contention that the relationship has not influenced the price paid by the buyer is entirely at his initiative. If the answer to the question is “Yes” give details in the space provided.
- Box 8(a) See paragraph 2.03 of this Manual. For further information about “restrictions”.
If the answer to this question is “Yes” give details at the foot of the box.
- The “sale” referred to it’s the sale for export to Zimbabwe which corresponds to the price entered in Box 11(a). It does not refer to any resale of the goods by the importer subsequent to their importation. See also Valuation Manual paragraph 2.03 for further information about “conditions” or consideration”. If the answer to this question is “Yes” give details in the space provided.

Box 9(a) The “Sale” is the same as that referred to in completion of Box 8. See Valuation Manual paragraph 2.24 for further information about royalties and licence fees.

The “sale” is the same as that referred to in completion of Box 8. See Valuation Manual paragraph 2.06 for further information about the proceeds to be declared in this box. If the answer to either of the questions in this box is “Yes” give details in the space provided.

Box 10 See paragraph 5.04 of the Valuation Manual. Insert the name, address and status of the signatory as well as details of his company or firm who are neither the buyer nor the seller e.g. when the declarant is an agent of the seller or a branch of the importer.

Completing the back of the declaration (reproduced on the facing page).

Section A

Box 11 (a) Insert the invoice price net of any allowable trade or cash discount. If the price actually paid or payable includes elements, which do not have to be included in the customs value e.g. buying commission, show the gross amount in this box and claim the appropriate deduction in Boxes 19 to 21. Box 20 is to be used for this purpose if the other boxes are not appropriate.

If, exceptionally, the invoice is not available at the time the form is completed then a statement or pro-forma invoice showing the price in the currency of payment to the supplier, certified as the amount which will be paid to the supplier, must be provided with the customs entry.

Insert the value of any condition or consideration, which can be determined as indicated in Box 8(b). See also Valuation Manual paragraph 2.03 for further information.

Rate of Exchange : if either of the amounts inserted in Box 11 (a) or (b) is in foreign currency then the rate of exchange to be inserted is that published by Zimbabwe Revenue Authority to be used for customs purposes on the day the entry is accepted. The exception to use of that rate of exchange is when the supplier requires the foreign currency amount to be paid in Zimbabwean currency.

Box 12 The amounts inserted here are to be expressed in Zimbabwe dollars.

Section B

- Box 13 See Valuation Manual paragraph 2.06. The term “buying commission” includes fees paid by the importer to his agent for the services of representing him abroad in the purchase of the imported goods. It includes brokerage paid for this service.
- Box 14 See Valuation Manual paragraph 2.06.
- Box 15 See Valuation Manual paragraph 2.06
- Box 16 See Valuation Manual paragraph 2.06
- Box 17 Insert the place of importation in Zimbabwe.
- Box 18 The amounts inserted here are to be expressed in Zimbabwe Dollars. IF A DECISION HAS BEEN MADE BY ZIMRA ABOUT ANY OF THE ITEMS DECLARED IN THIS SECTION THEN ENTER THE REFERENCE NUMBER OF THE DECISION LETTER IN THE SPACE PROVIDED ON THE LEFT.

Section C

- Box 19 An amount may be entered here if the price paid or payable inserted in box 11 (a) includes costs of transport beyond the place of importation.
- See Valuation Manual paragraph 2.07.
- Box 20 Insert the amount of any other charges included in the price declared in box 11 (a), which you consider do not form part of the customs value. The element deducted is to be described alongside the amount. Then any such charge must be distinguished from the price for the goods and, if not shown separately on the invoice other supporting evidence must be produced to substantiate the claim. If the agreement of the Valuation Branch has been obtained, quote the appropriate reference number.
- Box 21 Insert customs duties and other taxes payable in Zimbabwe by reason of the importation or of the goods if any.
- Box 22 The amounts inserted here are to be expressed in Zimbabwean currency.
- Box 23 Insert the value to be declared – the Zimbabwean currency amount in Box 11 plus the additions totaled in Box 18 minus the deductions totaled in Box 22.

FORM 53 A

DECLARATION OF PARTICULARS RELATING TO CUSTOMS VALUE

(METHODS OTHER THAN THE TRANSACTION VALUE METHOD)

Completing the front of the declaration (reproduced on the facing page).

- Box 1 Insert the full name and address of the importer.
- Box 2 Insert the full names and address of the supplier.
- Box 3 Insert the number and date of each attached document and describe it e.g. invoice, statement, etc.
- Box 4 Insert the terms of delivery e.g. FOB Rotterdam, CIF Harare.
- Box 5 Insert the reference number and date of any relevant Valuation Section decision.
- Box 6 Only one method can be used and indicated in this box.
- Box 7 Give full reasons why Transaction value Method cannot be used and if a method other than the First Alternative Method is indicated in Box 6 state reasons why the First Alternative Method and any other methods preceding the one being used cannot be adopted. Failure to give a sufficient explanation may lead to delay in the acceptance of the entry. The reason for using the selected method is also to be given. If insufficient space is provided attach a full explanation.
- Box 8 To be completed for the Deductive Method only. An estimate of the customs value, which will be determined within 90 days, is to be given. Zimbabwe Revenue Authority will not necessarily use the estimate for deposit purposes but if it has been based on any published information the source should be quoted.
- Box 9 Describe the evidence attached and quote any identifying reference numbers. For Deductive Value Method indicate what form the final evidence will take e.g. Account Sales, certified statement etc.
- Box 10 Insert the name and address of declarant as per paragraph 5.04 of the Valuation Manual.
- Box 11 Insert the name and status of the signatory as well as the date and signature.

Completing the back of the declaration.

First and Second Alternative Methods (Transaction Value of identical or similar goods).

Section A and Section B and C as appropriate and box 17 are to be completed.

Section A

Box 12 Insert details of a previously accepted transaction value for identical or similar goods in Zimbabwean currency where the customs value was established. Delete “Identical “ or “Similar” as appropriate.

Rate of Exchange: If the value inserted in this Section is not in Zimbabwean currency insert the correct rate of exchange published by the Commissioner of the Zimbabwe Revenue Authority for the conversion of foreign currency amounts in the determination of customs values.

Section B

Complete the appropriate parts of Box 13 as follows.

Box 13 (a) If the value declared in Box 12 was established for a quantity smaller than that now being imported and the price on which it was based would have been lower for the quantity now being imported, insert the amount by which the original value would have been reduced.

If the value declared in Box 12 was established for a purchase made at a different commercial level from the importation now being made and the price which formed the basis of the original value would have been lower if the commercial level had been the same as in the present importation, insert the amount by which the original value would have been reduced.

DOCUMENTARY EVIDENCE WILL BE REQUIRED IN SUPPORT OF ANY AMOUNTS SHOWN IN EITHER BOX 13 (a) OR (b). BOXES 13(c), (d) AND (e) ARE ONLY TO BE COMPLETED IF THE CORRESPONDING COSTS WERE PAID IN ADDITION TO THE INVOICE PRICE WHICH FORMED THE BASIS OF THE CUSTOMS VALUE OF THE IDENTICAL OR SIMILAR GOODS, e.g. if the original purchase was made on CIF terms these boxes are not to be completed.

Insert the place where the identical or similar imported goods (Box 12) were introduced into Zimbabwe. If the goods imported now were imported by a different route or mode of transport, or their transport cost would otherwise now be different from the cost included in the transaction value declared in Box 12 insert the transport cost, which was included in this value.

If the cost of the loading and handling charges included in the value declared in Box 12 was different from the corresponding charge for the importation now being made, insert the amount for such charges, which was included in the value declared in Box 12.

If the value declared in Box 12 included the cost of insuring the goods and the amount paid for insurance of the importation now being made is different, insert the amount which was included in the value declared in Box 12.

Box 14 The amounts inserted here are to be expressed in Zimbabwean currency.

Section C

Complete the appropriate parts of Box 15 as follows :-

- Box 15 (a) If the value declared in Box 12 was established for quantity greater than that now being imported and the price on which it was based would have been greater for the quantity now being imported, insert the amount by which the original value would have been increased.
- (b) If the value declared in Box 12 was established for a purchase made at a different commercial level from the importation now being made and the price which formed the basis of the original value would have been greater if the commercial level had been the same as in the present importation, insert the amount by which the original value would have been increased. DOCUMENTARY EVIDENCE WILL BE REQUIRED IN SUPPORT OF ANY AMOUNTS SHOWN IN EITHER BOX 15(a) OR 15(b).
- (c) Insert the place of introduction into Zimbabwe of the importation now being made. If a deduction has been made in Box 13(c), insert the cost of transport for the present importation (to the place of introduction into Zimbabwe).
- (d) Insert the wharfage paid or payable if applicable.
- (e) If loading and handling charges have been incurred on the goods now being imported and these charges are either different from those included in the value declared in Box 12 or are in addition to any such costs which were included in that value, insert the amount of such charges in this box.
- (f) If the transaction referred to in Box 12 was for goods imported without insurance or if the amount incurred on the goods being imported is greater than that which was included in the declared transaction value insert the insurance amount payable on the present importation in this box.

Box 16 The amounts inserted here are to be expressed in Zimbabwean currency.

Box 17 Insert the value to be declared – the Zimbabwean currency amount in Box 12 minus the subtotal in Box 14 plus the subtotal in Box 16. IF THE DECISION HAS BEEN MADE BY ZIMRA ABOUT ANY OF THE ITEMS DECLARED IN SECTION B OR SECTION C, ENTER THE REFERENCE NUMBER OF THE DECISION LETTER(S) IN THE SPACE(S) PROVIDED ON THE LEFT.

DEDUCTIVE VALUE METHOD

Section D and Section E as appropriate and Box 21 are to be completed.

Note : When the goods are to be valued under Deductive Value Method only the front of the Form 53 A can be completed at the time of importation. When this Method is used an additional declaration is required when the duty due is brought to account. Form 53 A may be adopted for this purpose or a separate declaration may be prepared and signed by the importer.

Section D

Box 18 Insert the unit price for each of the imported items. If the items are numerous, the totals may be shown in this box and a separate list attached showing the prices of individual items.

Rates of Exchange: If the price inserted in this section is in a currency other than the Zimbabwean currency, insert the rate of exchange published by the Commissioner of Zimbabwe Revenue Authority for the conversion of foreign currency amounts in the determination of customs value.

Section E

Box 19 (a) Insert the amount of any commission paid or to be paid in connection with the sale of the goods in Zimbabwe, which is included in the unit price declared in Box 18. See also Valuation Manual.

Insert the additions usually made for profit and general expenses in connection with the sale of the goods in Zimbabwe, which are included in the unit price declared in Box 18 and for which a deduction is to be made in the determination of the customs value.

Note: (a) and (b) are alternatives: if one applies the other does not.

(c) Insert the place of importation in Zimbabwe. If the unit price declared in Box 18 includes an element to cover the cost of transport after the goods were introduced at the stated “place” insert the amount of this element.

- (d) If the imported goods were insured and deduction is being claimed for an insurance cost attributable to the goods after they were imported into Zimbabwe insert the amount attributable.
- (e) Insert the amount of loading and handling charges incurred after the goods arrived in Zimbabwe, which are included in the unit price, declared in Box 18.
- (f) If the unit price declared in Box 18 includes cost associated with the delivery of the goods after they arrived in Zimbabwe, insert the amount in this box and enter a brief description of the nature of the costs alongside the amount.
- (g) If the unit price declared in Box 18 is for products, which have been subject to further processing after importation e.g. repackaging, then such costs may be claimed in this box.

ALL CLAIMS FOR DEDUCTIONS IN BOX 19 MUST BE MADE ON OBJECTIVE AND QUANTIFIABLE DATA. IF A DECISION HAS BEEN MADE BY THE COMMISSIONER OF THE ZIMBABWE REVENUE AUTHORITY AMOUNT HOW THIS IS TO BE DONE ENTER THE REFERENCE NUMBER OF THE DECISION LETTER IN THE SPACE PROVIDED ON THE LEFT.

Box 20 The amounts inserted here are to be expressed in Zimbabwean currency.

Box 21 Insert the value to be declared – the Zimbabwean currency amount declared in Box 18 minus the subtotal in Box 20.

COMPUTED VALUE METHOD

Section F

NOTE: When the goods are to be valued under the Computed Method, the information to be entered in this section MUST be supported by a statement in the form of an affidavit sworn to by a responsible officer or employee of the producer / manufacturer or by an independent auditor recognised and acknowledged as such under the laws of the country of export.

- Box 22 (a) Insert the value of the raw materials such as lumber, steel, lead, textiles etc.
- (b) Insert the cost associated with the transportation of the raw materials to the place of production.

Insert the value of semi-finished goods / components involved in the manufacture / assembly of the goods.

Insert the value of the cost of production to include the cost of direct and indirect labour such as factory supervision and plant maintenance.

Insert here the cost of containers which are treated as being one with the goods for customs purposes.

Insert the value of goods and services supplied by you (the buyer) free of charge or at reduced cost for use in connection with the production of the goods. See section 113 (1) (b) of the Act.

Insert the value of packing both of labour and of material.

Insert here the profit and general expenses usually added in the country of export in sales of goods of the same class or kind as the goods to be valued.

FINAL ALTERNATIVE METHOD (“FALL BACK” PROCEDURE)

Section G

Box 22 The Fall Back Method requires the approval of the Commissioner General of the Zimbabwe Revenue Authority. If this has already been obtained insert the reference number of his letter in the space provided and declare the value in the aligned box. If the agreement for use of this method has not already been received, insert the proposed value in this box and attach the necessary documentary evidence to support it.

Section G

- Box 23
- (a) If the value declared in Box 22 does not include the cost of transport of the goods to Zimbabwe, insert the name of the place where the goods were introduced and the amount incurred in transporting them to that place.
 - (b) If the value declared in box 22 does not include the cost of loading and handling the goods prior to their arrival in Zimbabwe, then the amount of such costs incurred is to be inserted in this box.
 - (c) If the imported goods were insured and that cost has not been included in the value declared in Box 22 insert the amount in this box.

Box 24 The amounts to be inserted in this box must be expressed in Zimbabwean currency.

Box 25 Insert the value to be declared – the Zimbabwe currency amount in Box 22 plus the subtotal in Box 24.

ZIMBABWE
Form 52 A

ZIMBABWE REVENUE AUTHORITY

DECLARATION OF PARTICULARS RELATING TO CUSTOMS VALUE

NOTE: This form should not be signed before it is fully completed. You are advised to read the valuation guide before completion

1. Name and address if importer (IN BLOCK LETTERS)	
2. Name and address of seller (IN BLOCK LETTERS)	
3. Number and date of invoice	
4. Terms of delivery (e.g. F.O.B. Rotterdam)	
6. Number and date of any previous Customs decision concerning boxes 7 to 9 N/A	
<p>7. (a) Are the buyer and seller related in terms of section 104 (3)* of the Customs and Excise Act. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "NO", go to box 8</p> <p>(b) Did the relationship influence the price of the imported goods? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(c) Does the transaction value of the imported goods closely approximate to a value mentioned in section 106 (2) (b) of the Customs and Excise Act. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "YES" give details</p>	
<p>8. (a) Are there any restrictions as to the disposition or use of the goods by the importer other than restrictions which - are imposed or required by law or by the public authorities in Zimbabwe - limit the geographical area in which the goods may be resold, or - do not substantially affect the value of the goods? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(b) Is the sale or price subject to some condition or consideration for which a value cannot be determined with respect to the goods being valued? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Specify the nature of the restrictions, conditions or considerations as appropriate. If the value of such condition or consideration can be determined, indicate the amount in Box 11 (b) overleaf.</p>	
<p>9. (a) Are any royalties and licence fees related to the imported goods payable either directly by the buyer as a condition of the sale? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>(b) Is the sale subject to an arrangement under which part of the proceeds of any subsequent resale, disposal or use accrues directly or indirectly to the seller? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If "YES" to either or these questions, specify conditions and, if possible, indicate the amounts in boxes 15 and 16 overleaf -</p>	

- *Persons shall be deemed to be related only if –
- (a) they are officers or directors of one another's business;
 - (b) they are legally recognised partners in business;
 - (c) they are legally recognised partners in business;
 - (d) any person directly or indirectly owns, controls or holds 5% or more of the outstanding voting stock or shares of both of them;
 - (e) one of them directly or indirectly controls the other;
 - (f) both of them are directly or indirectly controlled by a third person;
 - (g) together they directly or indirectly control a third person;
 - (h) they are members of the same family.

10. I the undersigned, declare that all particulars given in this document and are true and complete.

PlaceDate

Signature

Declarant: (Director)

SPECIFICATION of Customs value

		Item...	Item..	Item.
A Basis calculation	11. (a) Net price in currency of invoice (price actually paid or price payable for settlement at the material time for valuation for customs purposes)			
	(b) Indirect payments –see box 8 (b) over leaf (rate of exchange			
	12. TOTAL A in Zimbabwe currency			
B Additions: Costs in Zimbabwe currency NOT included in A above Quote below previous relevant Customs decisions, if any:	13. Cost incurred by the buyer:			
	(a) commissions, except buying commissions.....			
	(b) brokerage			
	(c) containers and packing			
	14. Goods and services supplied by the buyer free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods: The values shown represent an apportionment where appropriate.			
	(a) materials, components, parts and similar items incorporated in the imported goods.			
(b) tools, dies, moulds and similar items used in the production of the imported goods.....				
(c) materials consumed in the production of the imported goods.....				
(d) engineering, development, artwork, design work, and plans and sketches undertaken elsewhere than in Zimbabwe and necessary for the production of the imported goods.....				
	15. Royalties and licence fees-see box 9 (a) overleaf			
	16. Proceeds of any subsequent resale, disposal or use accruing to the seller-see box 9(b) overleaf.....			

	17. Costs of delivery to (place of importation) (a) transport (i) sea freight (ii) rail/road freight..... (b) wharfage (c) Loading and handling charges (d) Insurance			
	18. TOTAL B			
C. Deductions: Cost in Zimbabwe Currency included in A above*	19. Cost of transportation after importation			
	20. Other charges (specify)			
	21. Customs, duties and taxes payable in Zimbabwe by reason of importation of the goods.....			
	22. TOTAL C			
	23. VALUE DECLARED (A+B-C)			

Where amounts are payable in FOREIGN CURRENCY, Amount
Indicate in this section the amount in foreign currency and
The **rate** of exchange by reference to each relevant element and item.

ZIMBABWE REVENUE AUTHORITY

DECLARATION OF PARTICULARS RELATING TO CUSTOMS VALUE
 (Method other than transaction value)

NOTE: This form should not be signed before it is fully completed. You are advised to read the valuation guide before completion

1. Name and address of importer (BLOCK LETTERS)	FOR OFFICIAL USE (port date-stamp and entry No.)
2. Name and address of supplier (BLOCK LETTERS)	
3. Number and date of invoice (s) or other documentary evidence identifying the imported goods.	4. Terms of delivery (e.g. FOB Rotterdam)
<p>5. Number and date of any previous Customs decision concerning the method of valuation to be used</p> <p>The appropriate method of valuation applicable to the imported goods is:</p> <p>(a) The transaction value of identical goods (first alternative method)</p> <p>(b) The transaction value of similar goods (second alternative method)</p> <p>(c) The deductive value method (third alternative method)</p> <p>(d) The computed value method</p> <p>(e) The "fall back" method (final method)</p>	
7. Give reasons why the value cannot be determined under the provisions of any method preceding the one in box 6 and why the method indicated in box 6 can be used.	
8. For the deductive value method only: Give an estimate of the Customs value which will be determined within 90 days of importation.	
9. Describe either the evidence (attached) to substantiate the declared Customs value or the evidence which will be submitted within 90 days of importation.	

10. Name and address of declarant Telephone No.	10. I the undersigned, declare that all particulars given in this document and are true and complete. Signature Name (BLOCK LETTERS) Status of signatory (Director / Company / Secretary / Partner, etc.) Place Date 20
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SPECIFICATION OF CUSTOMS VALUE

		Item...	Item...	Item...
FIRST AND SECOND ALTERNATIVE ONLY	A. Basis of calculation A. Basis of calculation.	12. Transaction value of *IDENTICAL/SIMILAR goods in Zimbabwe currency where value determined 12 Transaction value of *IDENTICAL/SIMILAR goods in Zimbabwe currency where value was established. In foreign currency (rate of exchange.....)		
	B. DEDUCTIONS: Quote below previous relevant ZIMRA decision, if any.	13. (a) Quantity adjustment..... (b) Commercial level adjustment..... (c) Cost of transport to (d) Loading		
		and handling charges..... (e) Cost of insurance		
	C. ADDITIONS Quote below previous relevant Customs decisions, if any.	14. SUB TOTAL B 15. (a) Quantity adjustment..... (b) Commercial level adjustment..... . (c) Cost of transport to (d) Wharfage (e) Loading and handling charges (f) Cost of insurance		
		16. SUB TOTAL C		

		17. VALUE DECLARED (AB+C)			
DEDUCTIVE VALUE METHOD ONLY	D. Basis of calculation	18. unit prices(s) at which the *imported goods/identical goods/similar goods are sold to customers unrelated to the seller in the greatest aggregate quantity at or about the time of importation of the goods being valued in Zimbabwe currency..... In foreign currency (rate of exchange.....)			
	E. DEDUCTIONS: Costs in Zimbabwe Currency included in D above Quote below previous relevant Customs decisions, if any.	19. (a) Commissions paid or to be paid..... (b) Profit and general expenses..... (c) Cost of transport from (d) Cost of insurance..... (e) Loading and handling charges (f) Other transport costs (g) Further processing costs			
		20. SUB TOTAL E			
		21. VALUE			
		DECLARED (D-E)			
	F. Basis of calculation	22. VALUE of the imported goods (in Zimbabwe currency). Quote previous relevant Customs decision, if any, accepting the Method used to calculate the value			

FINAL ALTERNATIVE METHOD	G. ADDITIONS: Costs in Zimbabwe currency	23. Cost of transport to Loading and handling charge..... Cost of insurance			
		24. SUB TOTAL G			
		25. VALUE DECLRED (F-G)			

7. (a) Are there any restrictions or conditions placed by the of supplier as to use or disposition the goods?.....

..... Yes No

(b) Is the sale or price subject to some condition or consideration for which a value cannot be determined?.....

..... Yes No

(c) Specify the nature of restrictions, conditions or considerations as appropriate

.....
.....
.....

If the value of such condition or consideration can be determined indicate the amount In the box overleaf. (d)

Is the sale subject to an agreement under which part of the proceeds of any subsequent resale, disposal or use accrues directly or indirectly to seller? Yes No

(e) If "Yes", specify the arrangement and indicate the amounts

.....
.....
.....

8. (a) Are any royalties and/or licence fees, payable either directly or indirectly for the imported

goods?.....
..... Yes No

IF "YES", attach a copy of the agreement and amounts of royalty payable.

(b) Are any assists, as explained in note 3, payable?

..... Yes No

IF "YES",
specify.....
.....

(c) List all charges incurred in the transportation of goods, including inland transportation charges and handling charges.

.....
.....
.....
.....
.....
.....
.....
.....
.....

(d) Indicate any other charges incurred in the purchase and delivery of the goods e.g. confirming commission, buying Commissions, brokerage, containers and packing.

9. (a) State any discounts or reductions in price granted and their purpose. (b) State how importer is remunerated for agency, distributorship etc. by the supplier.

10. Specify (a) the evidence for value

.....
..... (b) the evidence for freight

.....
..... (c) the evidence for insurance

11. Are the goods for own use or for resale

.....
.....

12. (a) State the name and value of identical / similar goods imported in Zimbabwe (If known)

..... (b)
State the full name of any known importer of identical / similar goods imported in Zimbabwe

13. Method of valuation preferred by the importer

.....
.....

I, the undersigned, declare that all particulars given are true and complete. Place Date
..... 20 Signature

FOR
OFFICIAL
USE (Port
date-stamp
and entry
No.)

Note 1. This declaration may be signed by
 (a) the actual importer if individual;
 (b) a partner in the case of a partnership; (c)
 a director or the secretary in the case of a
 company
 (d) an employee properly authorised by one of
 the above.

The signature of a Customs Clearing Agent is not acceptable except for his own goods.

Note 2. *Persons shall be deemed to be related only if -
 (a) they are officers or directors of one another's business; or they are partners in business; they are employer and employee;
 in the case of bodies corporate, any other person directly or indirectly owns, controls, or holds five per centum or more of the issued voting stock or shares of both of them; one of them directly or indirectly controls the other; both of them are directly or indirectly controlled by a third person; together they directly or indirectly control a third person; they are members of the same family.

Note 3. *Assists*. Goods and services supplied by the buyer free of charge or at a reduced cost for use in connection with the Production and sale for export of the imported goods:
 (a) materials components, parts and similar items incorporated in the imported goods;
 (b) tools, dies, moulds and similar items used in the production of imported goods
 (c) materials consumed in the production of the imported goods

 (d) engineering, development, artwork, design work, and plans undertaken elsewhere than in Zimbabwe and necessary for the production of the imported goods.

**ZIMBABWE
ZIMBABWE REVENUE AUTHORITY**

DECLARATION OF PARTICULARS RELATING TO CUSTOMS VALUE

Importer related in business with supplier (No Customs Value Ruling Issued)

Warning: Please read the NOTES printed overleaf before completing the declaration set out below. As the signatory is responsible for all matters declared, pre-signed blank or partially completed declarations should not be given to another person for completion.

1.
.....
..... hereby declare that -
(Full Names) 1. I am the
..... of
.....
.....
who is the importer of the goods specified in the attached
.....invoice (s) dated
..... and which amount in all to all
.....; 2.
The value of the said goods shown in paragraph 3 below is in
accordance with the Commissioner of the Zimbabwe Revenue
Authority ruling ref
..... dated
..... 3. the total
value for duty purposes of the goods on this basis is \$
.....
4. the terms and conditions of trading between the importer and
.....
..... have not
changed since the value ruling referred to in paragraph 2
above was issued and that the information
furnished to the
Commissioner of Zimbabwe Revenue Authority to enable him to
arrive at that ruling correctly represented and still
represents the facts (see Note 4)
.....
.....

<p>NOTES</p> <p>Note 1. This declaration may be signed by –</p> <p>(a) the actual importer if an individual;</p> <p>(b) a partner in the case of a partnership;</p> <p>(c) a director or the secretary in the case of a company</p> <p>(d) any employee properly authorized by one of the above</p>	<p>FOR OFFICIAL USE</p>
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THE SIGNATURE OF A CUSTOMS CLEARING AGENT IS NOT ACCEPTABLE (except for his own use) Note 2.

Importers are expected to adapt the text of his form to suit the circumstances of the transaction if necessary. Any alterations or additions should be initiated by the signatory. Note 3. Importers who are related in business with the supplier but have not been notified of a value ruling in respect of The supplier concerned must complete Form 54A – “Declaration of particulars relating to Customs value” Importer related in business with supplier (No Customs value ruling issued). Note 4. Any person unable to subscribe to the declaration in paragraph 4 should delete it and submit details of the changed Circumstances with this form.