

People's Democratic Republic
Peace Independence Democracy Unity Prosperity

Ministry of Finance
Customs Department

No. 00266/CD
Vientiane Capital, dated 04 November 2011

Instruction
on Completing the Customs Valuation Form

- Pursuance to the Law on Customs No.05/NA, dated 20 May 2005, Chapter 2, Article 13 on the declared value of imports;
- Pursuance to the Instruction of the Minister of Finance No.1398/MOF, dated 16 June 2010 on the Declared Value of Imports;
- Pursuance to the Decision of the Minister of Finance No.2095/MOF, dated 26 September 2011 on the application of Customs Declaration Form for Imports that are subject to customs and taxes;
- Pursuance to the Instructions of the Customs Department No.2401/CD, dated 29 September 2010 on the Assessment of Declared Value for Imports.

The Customs Department issues an instruction:

Article 1. Objectives

This Instruction is to guide how to fill out information on prices of goods in the import customs value declaration form that is related to completing a detailed customs declaration form for imported goods that are subject to duties and taxes according to the laws and regulations. Completing information in the custom value declaration form shall be consistent with the prescribed forms and consistent with customs valuation methods for imports as defined in the law and regulations and the instructions of the Customs Department.

Article 2. Definition

Sentences or terms used in this Instruction are adopted from international rules called the General Agreement on Tariffs and Trade 1994, the abbreviation is "GATT 1994".

Article 3. Legal Aspects of the Customs Value Declaration Form for Imports

1. The customs value declaration form for import is one of the components of the detailed customs declaration for imports subject to duties and taxes that shall be attached to the detailed customs declaration form each time when the declaration is made.
2. The customs value declaration form for imports shall be made in three copies; two copies are for customs administration, and one copy is for the declaring.
3. The customs value declaration form is kept with the detailed customs declaration form for a period of 3 years according to the Customs Law and regulations.
4. The declaring is obliged to accurately and fully fill out various information in the customs value declaration form for imports; he shall be responsible in line with the law for all declared contents and self-decision for declaring the value of goods in any customs value declaration form for imports that are consistent with the enforceable rules and in line with the laws and regulations and instructions of the Customs Department.

Article 4. Customs Value Declaration Form for Imports

The customs value declaration form for imports consists of six methods as defined in the Decision of the Minister of Finance as the following:

1. Customs value declaration form for imports, GATT/CD-01 and Appendix GATT/CD-01/01 is used for the valuation of imported goods according to the actual transaction value.

2. Customs value declaration form for imports, GATT/CD-02 is used for the valuation of imported goods according to transaction value of identical goods.
3. Customs value declaration form for imports, GATT/CD-03 is used for the valuation of imported goods according to transaction value of similar goods.
4. Customs value declaration form for imports, GATT/CD-04 is used for the valuation of imported goods according to the deductive method.
5. Customs value declaration form for imports, GATT/CD-05 is used for the valuation of imported goods according to the computed method.
6. Customs value declaration form for imports, GATT/CD-06 is used for the valuation of imported goods according to the fall-back method.

Article 5. General Principle for Completing Information

1. The value of goods declared on the customs value declaration form for imports is the basis for the calculation of duties and other obligations of one unit of an imported good.
2. In case spaces provided in the customs value declaration form for imports as specified in Articles 2, 3, 4, 5 and 6 are insufficient to write reasons or explanation, the declarant is allowed to make additional explanation on a separate paper.
3. The information in the customs value declaration form for imports shall be consistent and harmonized with the information declared in the detailed customs declaration according to the order of each item of goods.

Example:

- The 1st item on the detailed customs declaration form is fish sauce.
 - The ordinal number of a good that shall be declared in the customs value declaration form for imports is also No.1 (not necessary to list the item).
4. The exchange rate used to calculate the customs value that shall be converted into Kip shall be consistent with the rate specified in box 23 of the detailed declaration form.

Article 6. Completing Information According to Actual Transaction Value of Goods (GATT/CD-01)

The customs value declaration form for imports, GATT/CD-01, can be used to declare a maximum of 10 items. In case the imported goods include more than 10 items, an attached Form GATT/CD-01/01 shall be used.

Information	Completing Information Methods
Declarant Identity	
<ul style="list-style-type: none"> • Attached to the Detailed Declaration Form • Customs checkpoint • Number of items • Number of appendixes 	<ul style="list-style-type: none"> • Write ordinal number and date of the detailed declaration form. • Write the name of the checkpoint of entry. • Write the total items of goods for declared customs values. • Write the total number of appendixes of the customs value declaration form.
Box 1	<ul style="list-style-type: none"> • Write the date, month and year of the import entry. • Requirements of delivery shall be based on the transaction contract or invoice.
Box 2	<ul style="list-style-type: none"> • If it is declared “Yes” means that a buyer has a right to use such goods after importation. • If it is declared “No” means that a buyer has no right to use such goods after importation.

<p>Box 3</p>	<ul style="list-style-type: none"> • If it is declared “Yes” means that the sale of goods or price of goods is under any conditions that could not lead to the customs valuation of the imported goods. <p>Example: books and pens are packed together for retail sale; buyer and seller have agreed on a price for each pack for reselling; therefore, the number of units of books and pens cannot be determined.</p> <ul style="list-style-type: none"> • If it is declared “NO” means that the sale or price of goods are not subject to any conditions.
<p>Box 4</p>	<ul style="list-style-type: none"> • If it is declared “YES” means that after the sale, the buyer shall pay certain additional amount that is the income from reselling that adds additional income directly or indirectly to the seller. In this case, it shall be further declared whether there are expenses that are specified in Box 15 or not? <p>+ if the answer is “NO”, the declarant shall apply other methods of customs valuation to determine customs value.</p> <p>+ if the answer is “YES”, the declarant shall continue the declaration by using this form.</p> <ul style="list-style-type: none"> • If it is declared “NO”, [the declarant] shall continue the declaration [process] by using this customs valuation form.
<p>Box 5</p>	<ul style="list-style-type: none"> • If it is declared “YES” the relationship between buyer and seller is one of the relationships under paragraph 8 of Article 2 of the Instruction of the Minister of Finance No.1398/MOF, dated 16 June 2010. If a special relationship influences prices, the declarant shall apply the following principles in chronically order to determine customs value: • If declared “NO”, where the relationship between buyer and seller is not under the requirements of paragraph 8 Article 2 of the Instruction of the Minister of Finance No.1398/MOF, dated 16 June 2010, [then] shall continue to declare by using this form.
<p>Box 6</p>	<p>It is prohibited to declare the names of goods; it is required to declare only the ordinal number of each item that is shown on the detailed customs declaration form.</p>
<p>Box 7</p>	<ul style="list-style-type: none"> • Declare according to prices specified in the invoice. <p>Example 1: the invoice indicates:</p> <p>+ price in the invoice: US\$1,000/set CIF Friendship Bridge I, this shall be declared in Box 7.</p> <p>+ Permission fee: US\$20/set, this shall be declared in Box 14.</p>

	<p>Example 2: the invoice indicates:</p> <p>+ price in the invoice: US\$1,000/set FOB Nongkhai (Thailand) Check Point, this shall be declared in Box 7.</p> <p>+ Freight (F): US\$100/set, this shall be declared in Box 16.</p> <p>+ Insurance (I): US\$7/set, this shall be declared in Box 17.</p> <ul style="list-style-type: none"> • In the example 1, if the price indicated in the invoice includes CIF, it is not necessary to separate these costs for the purpose of declaring in Boxes 16 and 17.
Box 8	<ul style="list-style-type: none"> • Declare all indirect costs not yet included in the invoice (Box 7). • In case the sale or price of goods is under conditions as declared in Box 3, but the buyer has reliable information to determine the level of financial influence of such conditions, the declarant shall declare the deducted amount occurring from such influence in this Box. <p>Example: The exporter agrees to sell 5,000 units of electrical rice cookers to the importer and will be granted a reduction of US\$1,000 from the total amount if the importer decides to make an additional purchase of 100 sets of sideboards. The reduction of US\$1,000 shall be declared in Box 8 after the reconciliation of reduction (US\$1,000) with the value of the electric rice cookers (of 5,000 units) per one unit of goods.</p>
Box 9	<ul style="list-style-type: none"> • Declare advance expenses and advance deposit related to the purchase of imported goods if they are not included in the purchase price indicated in the invoice (Box 7).
Box 10 through Box 17	<ul style="list-style-type: none"> • The costs that shall be included in the customs value paid by the buyer that are related to imported goods and are not yet included in the sale price in the invoice (Box 7).
Box 14	<p>Where copyrights or permission fees exist, however, during the period of detailed declaration, [and if] the declarant cannot determine the fee for copyrights or permission in order to declare to the customs administration, the declarant shall indicate in the customs declaration form that “it will be declared later”.</p>
Box 18 through Box 22	<p>The deductible costs that can be deducted from the price of goods if they are included in the transaction value (Boxes 7, 8, 9).</p>
Box 22	<ul style="list-style-type: none"> • The reduction is deductible from the price of goods only if the goods are already loaded into transportation in the country of export and there shall be documents from the seller in the country of export to be attached with the detailed customs declaration form. • The declarant shall be responsible for the reduction declared on the customs valuation form.
Box 23	<p>The customs value in foreign currency of one unit of goods to be used to calculate duty and taxes is equal to the [sum] total amount of Boxes 7 through 17 and with deductions from Boxes 18 through 22.</p>
Box 24	<p>The customs value in Kip of one unit of a good by using the exchange rate specified in Box 23 of the detailed customs declaration form.</p>

Box 25	Write the date of the submission of the detailed customs declaration form, and sign and write the first name and family name, status of the declarant, and stamp with the company seal.
Specific Information for Customs Authorities	
Box 26	<ul style="list-style-type: none"> • The customs authority who receives a customs value declaration form shall inspect the information declared in the customs value declaration form to assure that the information is complete, [with] no abrasion or dirt. Then he must sign and write his first name and family name, and submit the documents to the customs authority that is in charge of the inspection of customs valuation. • Where annexes are attached, the customs authority who receives the documents shall inspect and certify the completeness of the information.
Box 27	<ul style="list-style-type: none"> • The customs authority who inspects customs value shall write comments on the inspection of customs value on the copied version of customs value declaration form made for the customs administration; for the version given to the declarant, it shall only be signed with the first name and family name [of the relevant customs official]. • Written technical comments shall be applied as the following: <ul style="list-style-type: none"> + preliminary approve customs value submitted by the declarant. + reject customs value in method 1; re-valuate the customs value by providing details of the valuation method that shall be compulsorily used. + require the entrepreneur to provide additional information. + require the re-inspection of customs valuation and give reasons for such inspection. + issues needed to continue the inspection. + other technical comments.

Article 7. Completing Information on Customs Value Declaration Form According to the Transaction of Identical and Similar Goods Method (GATT/CD-02 and GATT/CD-03)

Rules for completing information on the customs value declaration form based on the transaction value of identical and similar goods method shall be applied as follows:

- Attach the detailed customs declaration form: shall declare ordinal number, date and checkpoint of entry of the attached detailed customs declaration form.
- Sort the order of [the items] in the import customs declaration form: where there is 1 item, it shall be written 1/1; where there are 2 items, it shall be written 1/2; for the second form, it shall be written 2/2, ...
- [Provide reasons why methods 1 and 2 depending on the case could not be applied.]
- Name of goods to be valued: shall clearly declare the name, size and characteristics of goods to be consistent with the transaction contract.

+ write the ordinal number of the items of goods from the detailed customs declaration form (goods to be valued) to the customs value declaration form for imports.

+ date of export: write the day, month and year of the import entry of goods being valued.

- Name of identical/similar goods: shall be the goods that have been imported and gone through detailed customs declaration under method 1 that can be used for the comparison with the customs value.

+ write ordinal number of items of goods from the detailed customs declaration form (identical/similar goods being referred to) to the customs value declaration form for import.

+ write: day, month and year of the detailed customs declaration form (identical/similar goods being referred to); as well as checkpoint of entry.

+ export date: write the day, month and year of the import entry of identical/similar goods being referred to.

- Customs value of the identical/similar imported goods: the customs value in foreign currency per one unit of goods as specified in Box 23 of the customs declaration form for comparison.
- Adjustments where the identical/similar imported goods have commercial, transportation and other conditions [compared to] the same as goods being valued, the declarant shall determine the adjustments[;] if the adjustment value increases it shall be marked as (+), if the adjustment value decreases it shall be marked (-) in front of that adjustment value and shall be written in the box for foreign currency.
- The customs value of goods being valued after adjustment: the customs value of identical/similar goods being compared with plus or minus with the adjustment value.
- Explanation of adjusted value: the declarant shall give details on methods used for determining the adjusted value.
- Attached documents: shall provide reference documents for the basis of customs valuation of imports according to the laws and regulations and the instruction of the Customs Department as well as attach the import customs declaration form.
- Certification of the declarant: write the date and sign it, write first name and family name, status of the declarant, and stamp the company seal on the customs declaration form.

Article 8. Completing Information of the Customs Value Declaration Form According to Deductive Method (GATT/CD-04)

Completing information on the customs value declaration form in accordance with the deductive method shall be applied as follows:

- Attach a detailed customs declaration form: shall accurately and completely declare the date and checkpoint of entry of the attached detailed customs declaration form.
- Arrange the order of the customs value declaration form: where there is 1 item, it shall be written 1/1, where there are 2 items they shall be written 1/2, the 2nd form shall be written 2/2.
- Provide the reason for not applying the [lower numbered methods for] customs valuation.
- Name of goods for valuation: shall declare details of the name, size and characteristic of goods in accordance with the transaction contract.

+ write ordinal number of [each] item of goods, as specified in the detailed customs declaration form (goods needed to be valued) on the import customs declaration form.

- Names of imported goods sold within Lao PDR that are selected for [application of the deductive method of valuation]: shall be the same type of imported goods and shall have gone through a detailed customs declaration process.
- Sale price in the market within Lao PDR: the unit price of identical or similar imported goods sold to persons not related to sellers in Lao PDR in the greatest quantities within the period not more than 90 days after the importation of such goods.

+ deductible costs (calculated per one unit of goods): the declarant shall comply with customs law and regulations and instructions of the Customs Department.

+ profit and general expenses: the declarant shall calculate the percentage compared with the sale price and declare in the percentage box compared with sale price.

- Customs value of goods being valued after deduction in Kip: the sale price within the markets in Lao PDR reduced by deductible costs.
- Explanation about deductible costs: declare detailed deductive method in accordance with the law and regulations, sources of referred information and other [information];
- Attached documents: shall declare the names of documents used for the customs valuation and attach the import customs value declaration form.
- Certification of the declarant: write the date and sign it, write the name and family name, status of the declarant, and stamp the company seal on the import customs value declaration form.

Article 9. Completing Information on the Declaration Form in Accordance with the Computed Method (GATT/CD-05)

Completing information on the customs value declaration form in accordance with the computed method shall be applied as follows:

- Attach a detailed customs declaration form: shall accurately and completely declare the ordinal number, date and point of entry of the attached detailed customs declaration form.
- Order of the customs declaration form: where there is 1 item, it shall be declared 1/1, where there are 2 items, it shall be declared 1/2, if it is a second form it shall be declared 2/2.
- Provide the reason for not applying the [lower numbered methods for] customs valuation.
- Name of goods needed to be valued: shall declare the name, size and characteristics of goods in accordance with the transaction contract.

+ write the ordinal number of the item of goods that are declared in the detailed customs declaration form (goods needed to be valued) on the import customs value declaration form.

- Name and address of the business unit that provided information on production costs: shall declare the name and address of the producer or the representative of the producer who provided information for customs valuation.
- Customs value according to the computation method of the price of goods: the total value of production cost and other adjustments according to the law and regulations and instruction of the Customs Department.
- The accounting system and references used: shall clearly declare the accounting system and references used for customs valuation.
- Certification of the declarant: write the date and put a signature, name and family name, status of the declarant, and stamp a company seal on the customs declaration form.

Article 10. Completing Information on the Customs Value Declaration Form According to the Fall Back Method (GATT/CD-06)

Completing information on the customs value declaration form according to the fall-back method shall be applied as follows:

- Attach a detailed customs declaration form: shall accurately and completely declare the ordinal number, date and point of entry of the attached detailed customs declaration form.
- Order of the customs declaration form: where there is 1 item, it shall be declared 1/1, where there are 2 items, it shall be declared 1/2, if it is a second form it shall be declared 2/2.
- Provide the reason for not applying the [lower numbered methods for] customs valuation.
- Name of goods needed to be valued: shall declare the name, size and characteristics of goods in accordance with the transaction contract.

+ write the ordinal number of the item of goods that are declared in the detailed customs declaration form (goods needed to be valued) on the import customs value declaration form.

+ information used for customs valuation: shall declare sources of information to be used for customs valuation.

+ attached documents: shall clearly declare references for customs valuation such as: the detailed customs declaration form has been [checked relative to] customs valuation methods 1 – 5; invoices for the transaction in Lao PDR; information received from producers and others.

- Selection of customs valuation method: the declarant shall consider the selection of customs valuation methods from 1-5 appropriately in accordance with the law and regulations and instruction of the Customs Department.
- Explanation: shall clearly explain reasons for the selection of such customs valuation method.
- Certification of the declarant: write the date and put a signature, name and family name, status of the declarant, and stamp a company seal on the customs declaration form.

Article 11. Responsibilities of the Customs Authorities at the Customs Checkpoints

- Customs authorities at the checkpoints shall give advice to the declarants for completing information on the customs value declaration form, [and shall] check the customs value declared by the declarant in the forms GATT/CD-02 to GATT/CD-06.
- The Customs authority who receives the documents: shall inspect the contents completed in the import customs value declaration form to make sure they are complete, [with] no abrasion or dirt. After that he/she shall sign, write [his/her] name, and submit documents to the customs authority that is in charge of the inspection of the customs value.
- The customs authority who inspects customs value: shall inspect customs value by making a comparison with the database and the law and regulations and then write comments on the results of the inspection on the import customs value declaration form that is made for the customs administration[;] the form of the declarant shall only be signed and written [with] the name and family name [of the customs inspector].
- Writing technical comments shall be made as follows:

+ preliminary approval of customs value of the declarant.

+ [if] the customs value declared by the importer is rejected, re-evaluate the customs value by writing details of the valuation principles that shall be used compulsory.

+ require the inspection of customs valuation [and provide] reasons for such inspection.

+ contents (issues) needed to continue the inspection.

+ other technical comments.

+ sign and write first name and family name [of the customs inspector].

Article 12. Implementation

The Organization and Administration Division and the Training Center shall publish [new] customs value declaration forms at the beginning of its implementation and in the future [the form] will be made into codes to allow entrepreneurs to print them by themselves.

The line divisions of the Customs Department, regional customs and border customs checkpoints nationwide shall implement this Instruction effectively as well as shall organize training and dissemination activities to customs authorities and entrepreneurs [so that they can] be well informed about this Instruction [in order] to achieve the objectives.

Article 13. Effectiveness

This Instruction is effective from the date of its signing.

**Director General of the Customs Department
Stamped and signed
Santiphap PHOMVIHAN**