

# **WORLD TRADE ORGANIZATION**

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**Committee on Customs Valuation**

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## **NOTIFICATIONS UNDER ARTICLE 22.2 OF THE AGREEMENT ON IMPLEMENTATION OF ARTICLE VII OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994**

### **SURINAME**

The following communication, dated 19 January 1999, has been received from the Permanent Mission of Suriname.

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In accordance with the provisions of Article 22.2 of the Agreement on Implementation of Article VII of the GATT 1994, Suriname has the honour to notify the Committee on Customs Valuation of the Customs Valuation legislation of Suriname, as stated in the Customs Duties Tariff Act No. S.B. 1995 no. 111, dated 28 December 1995. Attached is an unofficial translation of the Act.

## CHAPTER I

### GENERAL DEFINITIONS

#### Article 1

Under this law the following definitions apply:

- e. value: the valuation at the importation of goods in accordance with this law.
- f. identical goods: goods which are identical in all respects, including their physical characteristics, their quality and their reputation, in which minor physical differences shall not disqualify goods, which meet the definition in all other respects, from being deemed identical.
- g. similar goods: goods that, even if they are not completely identical, have identical characteristics and contain similar materials, which allow them to function similarly and to be able to be commercially interchangeable; the quality of the goods, their reputation and the existence of a manufacturer's mark and a trademark are among the factors that shall be considered in deciding whether goods are similar.
- h. goods of the same class or kind: goods which fall within a group or range of goods, which are produced by a particular industry or industry sector and includes the identical and similar goods.
- j. produced goods: goods that are grown, manufactured or mined.

## CHAPTER III

### VALUE

#### Article 9

1. When the provisions therein are satisfied the value of imported goods must be determined in applying article 10.
2. If the conditions of article 10 are not satisfied, the value of the imported goods must be determined in applying one of the methods which are successively set out in articles 11, 12, 13 or 14; the next method must be taken into account if the provisions therein are satisfied; the sequence of the methods of article 13 and 14 can be changed at the request of the declarant.
3. Where the value of the imported goods cannot be determined under the provisions of articles 10, 11, 12, 13 or 14 it will be determined on the basis of reasonable means consistent with the principles and general provisions of the chapter; the value determined under this method must be based as much as possible in consistence with the determined values of identical or similar goods of this chapter.
4. The values determined on the basis of this paragraph can never be based on:
  - a. the selling price in Suriname of goods produced in Suriname;
  - b. a system that provides for the acceptance for customs purposes of the highest of two alternative values;
  - c. the price of goods on the domestic market of Suriname;

- d. the cost of production, other than the computed values which have been determined for identical or similar goods in accordance with the provisions of article 14;
  - e. the price of the goods for export to other countries than Suriname;
  - f. minimum values; or
  - g. arbitrary or fictitious determined values.
5. For the purposes of this chapter, persons shall be deemed to be related only if:
- a. they are officers or directors of one another's business;
  - b. they are legally recognized partners in business;
  - c. they are employer and employee;
  - d. any person directly or indirectly owns, controls or holds five per cent 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; or
  - h. they are members of the same family; persons shall be deemed to be members of the same family if they are blood-related or related by marriage in one of the following ways:
    - (i) husband and wife or equivalent systems of living together;
    - (ii) parent and child;
    - (iii) brothers and sisters (or half-brothers and half-sisters);
    - (iv) grandparent and grandchild;
    - (v) uncle or aunt and nephew or cousin (niece);
    - (vi) parent-in-law and daughter-in-law or son-in-law; or
    - (vii) brothers-in-law and sisters-in-law.
6. For the purposes of this chapter persons who are associated in business with one another in that one is the sole agent, sole distributor or sole concessionaire, however described, of the other shall be deemed to be related if they satisfy one of the criteria of paragraph 5 of this article.
7. Where goods, before they are imported, endure a treatment under customs supervision, the value shall be determined on request of the declarant on the basis of the quality and quantity to be considered in case the regarded goods were imported without the treatment concerned.

#### Article 10

1. The value of goods, determined under this article, is the transaction value, that is the price actually paid or payable for the goods when sold for export to Suriname:  
The transaction value is accepted as value, provided:
- a. that there are 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 of Suriname;
    - (ii) limit the geographical area in which the goods may be resold; or
    - (iii) do not substantially affect the value of the goods;
  - b. that the sale or price is not subject to some condition or consideration for which a value cannot be determined with respect to the goods being valued;
  - c. that 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 accordance with the provisions of article 15; or
  - d. that the buyer and seller are not related, or where the buyer and seller are related, that the transaction value is acceptable for customs purposes under the provisions of paragraph 2.

2. In determining whether the transaction value is acceptable for the purposes of paragraph 1, the fact that the buyer and the seller are related shall not in itself be grounds for regarding the transaction value as unacceptable; if required the circumstances surrounding the sale shall be examined and the transaction value shall be accepted provided that the relationship did not influence the price. If the Comptroller, in the light of information provided by the importer or otherwise has grounds for considering that the relationship influenced the price, he shall communicate his grounds to the declarant and he shall be given an opportunity of two months to respond; if the declarant so requests, the communication of the grounds shall be in writing.

3. In a sale between related persons, the transaction value shall be accepted and the goods valued in accordance with the provisions of paragraph 1 whenever the declarant demonstrates that the value closely approximates to one of the following occurring at or about the same time:

- (i) the transaction values in sales between unrelated buyers and sellers of identical or similar goods for export to Suriname;
- (ii) the value of identical or similar goods as determined under the provisions of article 13; or
- (iii) the value of identical or similar goods as determined under article 14.

In applying the foregoing criteria, due account shall be taken of demonstrated differences in commercial levels, quantity levels, the elements enumerated in article 15 and costs incurred by the seller in sales in which the seller and buyer are not related that are not incurred by the seller in sales in which the seller and the buyer are related.

4. The values set forth in paragraph 3 are to be used at the initiative of the declarant and only for comparison purposes. Substitute values may not be established under the provisions of paragraph 3 of this article.

5. The price actually paid or payable is the total payment made or to be made by the buyer to or for the benefit of the seller for the imported goods and contains all payments which are to be made as a condition for the sale of the imported goods, either by the buyer to the seller, either by the buyer to a third party to meet an obligation of the seller; the payment need not necessarily take the form of a transfer of money, it can be made through letters of credit or negotiable instruments and also directly or indirectly.

6. Activities, including activities in respect to the trading of the goods, other than those for which an adjustment is provided in article 15, are not to be considered to be an indirect payment to the seller, even though these activities might be regarded as of benefit to the seller or are undertaken with his permission; the costs of such activities shall not be added to the price actually paid or payable in determining the value of the imported goods; activities related to the trade of goods include all activities concerning market research, advertising and promotion of the goods involved, as well as the activities related to the warranties issued for the goods.

7. Where the goods declared for import are part of a bigger quantity of the same goods purchased in one transaction, for the purposes of this article the price paid or payable is the price comparatively with the total price as the declared quantity is in the proportion to the purchased quantity.

8. A comparative partition of the price actually paid or payable is also to be done in case of partial loss or in case of damage, prior to the import declaration of the goods to be valued.

9. Where between the time of the sale and the time of the import declaration the goods are used in a third country, the application of the transaction value is not obliged.

10. The buyer does not have to meet any other requirement than to be part of the buying agreement.

#### Article 11

1. The determined value of the imported goods according to this article is the transaction value of identical goods which are sold for export to Suriname and are exported at or about the same time as the goods being valued.

2. In applying this article the value shall be determined on the basis of the transaction value of identical goods sold at the same commercial level and in about the same quantity as the goods being valued; where no such sale is found, the transaction value of identical goods sold at a different commercial level or in different quantities, adjusted to take account of differences in commercial levels or quantities, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustment, whether the adjustment leads to an increase or a decrease in the value.

3. Where the cost and charges referred to in article 15, paragraph 1e., are included in the transaction value, an adjustment shall be made to take account of significant differences in such costs and charges between the imported goods and the identical goods in question arising from differences in distances and modes of transport.

4. If, in applying this article, more than one transaction value of identical goods is found, the lowest such value shall be used to determine the customs value of the imported goods.

5. In applying this article a transaction value for goods produced by another person can only be taken into account if in applying paragraph 1 of this article no transaction value is found for identical goods produced by the same person as the goods being valued.

6. In applying this article the transaction value of imported goods means an earlier determined value according to article 10, adjusted as intended in paragraph 1b., and paragraph 2 of article 10.

#### Article 12

1. The determined value of the imported goods according to this article is the transaction value of similar goods which are sold for export to Suriname and are exported at or about the same time as the export of the goods being valued.

2. In applying this article the value shall be determined on the basis of the transaction value of similar goods sold at the same commercial level and in about the same quantity as the goods being valued; where no such sale is found, the transaction value of similar goods sold at a different commercial level or in different quantities, adjusted to take account of differences to commercial levels or quantity, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustment, whether the adjustment leads to an increase or a decrease in the value.

3. Where the costs and charges referred to in article 15, paragraph 1e., are included in the transaction value, an adjustment shall be made to take account of significant differences in such costs and charges between the imported goods and the similar goods in question arising from differences in distances and modes of transport.

4. If, in applying this article, more than one transaction value of similar goods is found, the lowest such value shall be used to determine the customs value of the imported goods.

5. In applying this article a transaction value for goods produced by another person can only be taken into account if in applying paragraph 1 of this article no transaction value is found for similar goods produced by the same person as the goods being valued.

6. For the purposes of this article the transaction value of similar goods means an earlier determined value according to article 10, adjusted as intended in paragraph 1b., and paragraph 2 of article 10.

### Article 13

1. If the imported goods or the identical or similar imported goods are sold in Suriname in the condition as imported, the value of the imported goods under the provisions of this article shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity, at or about the same time of the importation of the goods being valued, to persons who are not related to the persons from whom they buy such goods, subject to deductions for the following:

- (i) either the commissions usually paid or agreed to be paid or the additions usually made for profit and general expenses in connection with sales in Suriname of imported goods of the same class or kind (including direct and indirect costs referred to the trade of the related goods);
- (ii) the usual costs of transport and insurance and associated costs incurred within Suriname; or
- (iii) the customs duties and other taxes payable in Suriname by reason of the importation or sale of the goods.

2. If neither the imported goods nor identical nor similar imported goods are sold at or about the time of importation of the goods being valued, the value shall, subject otherwise to the provisions of paragraph 1 of this article, be based on the unit price at which the imported goods or identical or similar imported goods are sold in Suriname in the condition as imported at the earliest date after the importation of the goods being valued but before the expiration of 90 days after such importation.

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

4. In applying this article the unit price at which the imported goods are sold in the greatest aggregate quantity is the price at which the greatest aggregate quantity, at the first trade level after importation, is sold to persons who are not related.

5. Any sale in Suriname to a person who supplies free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods any of the elements specified in article 15, paragraph 1b., should not be taken into account in establishing the unit price.

6. In applying paragraph 2 of this article the “earliest date” shall be the date by which sales of the imported goods of identical or similar imported goods are made in sufficient quantity to establish the unit price.

#### Article 14

1. The value determined under this article shall consist of the sum of:
  - a. the cost or value of materials and fabrication or other processing employed in producing the imported goods;
  - b. an amount for profit and company expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation; and
  - c. the cost or value of the elements referred to in article 15, paragraph 1c.
2. The cost or value for the materials and for the production referred to in paragraph 1a. of this article shall include the cost of elements specified in article 15, paragraph 1a., parts (ii) and (iii); this also includes the value, apportioned as appropriate, of any element specified in article 15, paragraph 1b., subscribed product or service that is supplied by the buyer, directly or indirectly, for use in connection with the production of the imported goods; the value of the elements in article 15, paragraph 1b, part (iv), specified elements which are undertaken in Suriname, are only included in the cost or the value to the extent that they are charged to the producer of the goods.

#### Article 15

1. In determining the value under the provisions of article 10, there shall be added to the price actually paid or payable for the imported goods:
  - a. the following elements, to the extent that they are incurred by the buyer but they are not included in the price actually paid or payable for the goods:
    - (i) commissions and brokerage, except buying commissions;
    - (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;
  - b. the value apportioned as appropriate of the following goods and services where supplied directly or indirectly 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, 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 imported goods;
    - (ii) tools, dies, moulds and similar items used in the production of the imported goods;
    - (iii) materials consumed in the production of the imported goods; and
    - (iv) engineering, development, artwork and design work, and plans and sketches undertaken elsewhere than in Suriname and necessary for the production of the imported goods;
  - c. royalties and licence fees related to the goods being valued that the buyer must pay, either directly or indirectly, as a condition of sale of the goods being valued, to the extent that such royalties and fees are not included in the price paid or payable;
  - d. the value of any part of the proceeds of any subsequent resale, disposal or use of the imported goods that accrues directly or indirectly to the seller;
  - e.
    - (i) the cost of transport and insurance charges related to the transport of the imported goods; and
    - (ii) the cost of loading, unloading and handling charges associated with the transport of the imported goods;both accounted to the place of importation;  
the place of importation is the place in Suriname where the goods are unloaded from the conveyance of transportation in which they entered; the costs of transportation after

importation are not included in the value, provided that they are separated from the price actually paid or payable for the imported goods.

2. If in applying this article elements are to be added to the price actually paid or payable, this shall be only on the basis of objective and quantifiable data.
3. In determining the value, no element shall be added to the price actually paid or payable, except the elements mentioned in this article.
4. Under this article “buying commissions” means fees paid by an importer to his agent for the service of representing him in the purchase of the goods being valued.
5. Notwithstanding the provisions in paragraph 1c. of this article:
  - a. the charges for the right to reproduce the goods imported in Suriname shall not be added to the price actually paid or payable for the imported goods in determining the customs value;
  - b. payments made by the buyer for the right to distribute or resell the imported goods shall not be added to the price actually paid or payable for the imported goods, if such payments are not a condition of sale for export to Suriname of the imported goods.
6. Charges for interest under a financing arrangement entered into by the buyer and relating to the purchase of imported goods, irrespective of whether the finance is provided by the seller or another person, shall not be regarded as part of the value in any case it is determined, provided that:
  - (1) the interest involved is separated from the price actually paid or payable;
  - (2) the financing arrangement involved has been made in writing;
  - (3) the buyer can prove that the goods are actually sold at the price declared as the price actually paid or payable, and that the claimed rate of interest does not exceed the level for similar transactions in the country where and at the time when the financing was provided.

#### Article 16

1. Notwithstanding articles 9-15, in determining the value of imported carrier media bearing data or instructions for the use in data processing equipment, there shall be only taken into account the cost of the value of the carrier medium involved; in the value of the imported carrier media bearing data or instructions, the cost of the value of the data or instructions shall not be included, provided that the cost or this value are distinguished from the cost or the value of the carrier medium involved.
2. For the purposes of this article:
  - a. the term “carrier medium” shall not be taken to include: integrated circuits, semiconductors and similar equipment or products containing such circuits or equipment;
  - b. the term “data or instructions” shall not be taken to include: sound recordings, cinematic recordings or video recordings.

#### Article 17

1. In determining the value, where the amounts are expressed in foreign currency, the conversion into Suriname’s currency shall be the selling rate of exchange established by the Central Bank, which is in effect on the second working day in the period of two weeks within which the day of the declaration falls; where the Central Bank of Suriname has not determined the selling rate of exchange for a particular currency, then the selling rate of exchange determined by the Central Bank of



Suriname, on request, shall be in effect on the second working day in the period of two weeks within which the day the declaration falls.

2. In case of the modification of parity abroad in the course of the period as provided for in paragraph 1 of this article, the Minister is authorized to determine that the intended conversion into Suriname's currency in paragraph 1 of this article shall be at the selling rate of exchange at another time.

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