

The Link Between Transfer Pricing & Customs Valuation - 2012 Country Guide



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The Link Between Transfer Pricing & Customs Valuation - 2012 Country Guide has been prepared by various member firms of Deloitte Touche Tohmatsu Limited. It is intended as a general guide only, and its application to specific situations will depend on the particular circumstances involved. Accordingly, it is recommended that readers seek appropriate professional advice regarding any particular related party customs valuation issues they encounter. This information should not be relied upon as a substitute for such advice. While all reasonable attempts have been made to ensure that the information contained herein is accurate, neither Deloitte Touche Tohmatsu Limited nor any of its member firms accepts any responsibility for any errors or omissions it may contain, whether caused by negligence or otherwise, or for any losses, however caused, sustained by any person that relies upon it.

Foreword

The Link Between Transfer Pricing & Customs Valuation - 2012 Country Guide is one of the most comprehensive and authoritative guides of its kind, compiling essential information regarding the customs-related requirements and implications of related party pricing and retroactive transfer pricing adjustments in numerous key jurisdictions around the world. All the information contained herein has been provided by local country specialists from the Deloitte member firms' global network of Customs and Global Trade (CGT) professionals. With more than 550 professionals in over 100 countries worldwide, Deloitte member firms' CGT practice serves importers and exporters in every business sector and industry around the world.

The Link Between Transfer Pricing & Customs Valuation - 2012 Country Guide will be updated annually to address country-specific regulatory changes that impact the information provided.

Given the complexity of customs valuation and transfer pricing issues, *The Link Between Transfer Pricing & Customs Valuation - 2012 Country Guide* should be the starting point rather than the finish line for all your inquiries on the customs-related impacts of setting and adjusting transfer prices. In addition, it is important to note that the setting of transfer prices and the making of transfer pricing adjustments has other potential tax implications that are not directly addressed in this guide and which must also be assessed on a case-by-case basis.

For further information about *The Link Between Transfer Pricing & Customs Valuation - 2012 Country Guide* and the CGT practice of the Deloitte member firms in general, please contact your local CGT practice contact shown at the end of this guide or [click here](#) to visit the CGT home page.



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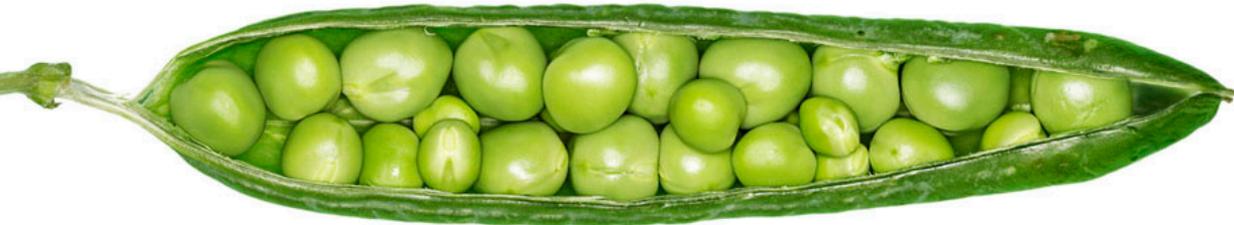
Deloitte global profile

The Deloitte member firm (Deloitte) worldwide network of tax professionals keeps current on the latest changes that will impact clients' business tax strategy, enabling clients to focus on business objectives while we address the tax requirements. Deloitte tax professionals provide the breadth and depth of specialized resources to consult on the various tax objectives or issues clients may encounter. We are a national and global leader today because, throughout our history, we have earned our clients' trust and exceeded their expectations.

Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member

firms in more than 150 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. Deloitte's 182,000 professionals are committed to becoming the standard of excellence.

Deloitte's professionals are unified by a collaborative culture that fosters integrity, outstanding value to markets and clients, commitment to each other, and strength from cultural diversity. They enjoy an environment of continuous learning, challenging experiences, and enriching career opportunities. Deloitte's professionals are dedicated to strengthening corporate responsibility, building public trust, and making a positive impact in their communities.



WTO Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 - Related Party Valuation Rules excerpt

The following is an excerpt from the above named agreement that sets forth the basic rules pertinent to the use of related party pricing as the basis for customs valuation in countries that are signatories to the agreement.

Part I: Rules on customs valuation

Article 1, paragraph 1:

The customs value of imported goods shall be the transaction value, that is the price actually paid or payable for the goods when sold for export to the country of importation adjusted in accordance with the provisions of Article 8*, provided 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.

Paragraph 2:

- (a) 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. In such case 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, in the light of information provided by the importer or otherwise, the customs administration has grounds for considering that the relationship influenced the price,

it shall communicate its grounds to the importer and the importer shall be given a reasonable opportunity to respond. If the importer so requests, the communication of the grounds shall be in writing.

- (b) 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 importer demonstrates that such value closely approximates the customs value in sales to unrelated buyers of identical or similar goods at or about at the same time**.

In applying the foregoing tests, due account shall be taken of demonstrated differences in commercial levels, quantity levels, the elements enumerated in Article 8 and costs incurred by the seller in sales in which the seller and the buyer are not related that are not incurred by the seller in sales in which the seller and the buyer are related.

- (c) The tests set forth in paragraph 2(b) are to be used at the initiative of the importer and only for comparison purposes. Substitute values may not be established under the provisions of paragraph 2(b).

* Article 1 is to be read together with Article 8 which provides, inter alia, for adjustments to the price actually paid or payable for elements that are part of the customs value but are not included in the price. Article 8 also provides for the inclusion in the transaction value of specified goods or services from the buyer to the seller.

** As determined under the provisions of Articles 5 and 6, which provide two bases, deductive value and computed value, for determining the customs value where it cannot be determined on the basis of transaction value.

Argentina

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No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	Yes. In some cases, a reference price, or "valor criterio," is provided by the customs authorities for specific HTS codes.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No. However, in rare cases, penalties may still be assessed for reporting an incorrect value, if discovered upon audit.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	No, unless adjusted by the customs authorities upon audit.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No. However, in rare cases, penalties may still be assessed for reporting an incorrect value, if discovered upon audit.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 5 years.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Fines of 1 to 5 times the duty owed may apply. Voluntary disclosure does not eliminate or reduce these penalties.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer is required to amend the import declaration if the adjustment is discovered upon audit.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Generally, transaction-by-transaction. However, aggregate adjustments may be accepted on a case-by-case basis.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	If requested upon audit, additional VAT filings may be required and additional VAT and other taxes and fees may be due.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional VAT filings are required.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: Yes.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Yes. The importer would apply for Valuation Advice after an APA has been issued to obtain mutual agreement.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	Yes. "Practice Statement No: PS2009/21" provides legislative customs valuation requirements and policies for transfer pricing adjustments.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 4 years from the date of the import declaration. There is no time limitation in cases of fraud.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties of 200% of the duty owed, plus a fine of AUD 55 per error, may apply where it is determined that the customs value was based on false or misleading information, but no interest would apply. If a voluntary disclosure is made, no penalties, fines or interest would apply.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should amend the import declaration using the Integrated Cargo System (ICS) to reflect the adjusted price. However, it is recommended to also use the Valuation Advice ruling process to support these adjustments.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Generally, transaction-by-transaction. However, aggregate adjustments may be accepted on a case-by-case basis.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	Yes. The Valuation Advice ruling process states that a binding ruling remains in place for 5 years and can be used over this period for repeated retroactive adjustments.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional Goods and Services Tax ("GST") filings are required. An adjustment to import value will automatically result in the assessment of additional GST.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional GST filings are required. An adjustment to import value will automatically result in a credit of the overpaid GST.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	No.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: 3 years from the date when the customs declaration is accepted. This time limitation is extended to 10 years in cases of fraud. Duty refunds: N/A
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Possibly. It depends on whether the retroactive adjustment was foreseeable at the time of import.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should contact the customs authorities to seek guidance on how to proceed.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction adjustments are required.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	The VAT filing must be amended to adjust the amount of input tax. Any additional VAT owed must be paid.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	The VAT filing must be amended to adjust the amount of input tax. A decrease in import VAT will automatically result in a credit of the overpaid VAT. Refunds are available upon formal application.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes, interest may apply. Value decrease: No.

Belgium

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No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Yes.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	Yes. The customs authorities have published administrative clarifications that deal with customs valuation and related party pricing.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 3 years after the closing of the verification activities by the customs authorities.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties, plus late payment interest of 0.8% per month, may apply. Penalties may be reduced for voluntary disclosure, though interest would still apply. If a ruling is in place, penalties may be avoided.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should contact the customs authorities to seek guidance on how to proceed.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction or aggregate, depending on the requirements of the regional customs authorities.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	If the importer does not have an ET 14.000 license, no additional VAT filings are required and any additional VAT would be automatically paid to the customs authorities. If the importer does have an ET 14.000 license to defer the import VAT to the VAT return, the correction must be made in the periodic VAT return covering the month in which the adjustments were made.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	If the importer does not have an ET 14.000 license, no additional VAT filings are required. If the importer does have an ET 14.000 license to defer the import VAT to the VAT return, the correction must be made in the periodic VAT return covering the month in which the adjustments were made.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. Penalties of up to 20% of the VAT owed, plus interest of 0.8% per month, may apply, if the adjustment is discovered upon audit. If a voluntarily disclosure is made, only late payment interest may apply. Value decrease: No.

Brazil

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No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Generally, no.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, and there is no risk of fines or penalties. Brazilian legislation defines transfer pricing adjustments and customs valuation as distinct and independent matters, so there is no obligation to amend previous customs entries when making retroactive transfer pricing adjustments (please note that retroactive transfer pricing adjustments can only be made within the current calendar year).
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	N/A
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, and there is no risk of fines or penalties. Brazilian legislation defines transfer pricing adjustments and customs valuation as distinct and independent matters, so there is no obligation to amend previous customs entries when making retroactive transfer pricing adjustments (please note that retroactive transfer pricing adjustments can only be made within the current calendar year).
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	N/A
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	N/A
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	No.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	N/A
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	N/A
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	N/A
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	N/A
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	N/A
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	N/A
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	Generally, yes.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Yes. Generally, the customs authorities will accept the arm's length price determined for tax purposes, provided that it is supported (e.g., by a transfer pricing study). However, each authority (tax and customs) reserves the right to make an independent decision under its own regulations.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	Yes. Customs Departmental Memorandum D13-3-6, entitled "Income Tax Transfer Pricing and Customs Valuation", describes the interaction between transfer pricing and customs value. It also acknowledges that the customs authorities will generally accept a transfer price established under OECD guidelines. Customs Departmental Memorandum D13-4-5, titled "Transaction Value Method for Related Persons", also provides information on this topic.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, and there is no risk of fines or penalties.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	No.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: 4 years from the date of booking the adjustment for accounting purposes. Duty refunds: N/A
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties and interest based on the duty and/or taxes owed may apply. If a voluntary amendment or a voluntary disclosure is made, penalties may not apply and interest may be reduced.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	A "voluntary amendment" of the customs value may be made within 90 days of booking the adjustment for accounting purposes. After 90 days, a one-time "voluntary disclosure" may be made. An importer's second attempt to obtain penalty relief under the voluntary disclosure program may be seen as a pattern of noncompliance and the application may be denied.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Aggregate adjustments may be permitted by obtaining a blanket authorization from the customs authorities.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No. There are no restrictions on the number of voluntary amendments that can be made (however, a voluntary disclosure can only be made once). Where a specific transaction (or a series of transactions) has been adjusted for customs valuation, a further amendment (related to customs value) cannot generally be submitted for the same transaction or transactions (unless certain criteria are met).
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No. However, obtaining a blanket authorization may allow for future retroactive adjustments on a case-by-case basis.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	Additional Goods and Services Tax ("GST") owed can be claimed as an input tax credit on the GST return, provided the importer is eligible to claim such credits (no separate amendment to the original GST filing would be required).
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	N/A
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. Interest on the GST owed would apply. Penalties on the GST owed may also apply if the amended customs filing is not made within 90 days of the date that the adjustment is booked for accounting purposes. If a voluntary disclosure is made and accepted, penalties may be waived and interest may be reduced or waived in specific circumstances. Value decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, and there is no risk of fines or penalties.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	N/A
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, and there is no risk of fines or penalties.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	N/A
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	N/A
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	No.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	N/A
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	N/A
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	N/A
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	N/A
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	N/A
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	N/A
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: No.

China

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No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No. Reporting is voluntary, though recommended to mitigate potential penalties that may be assessed upon audit.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No. Reporting is voluntary, though recommended to mitigate potential penalties that may be assessed upon audit.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes. In practice, however, duty refunds are difficult to obtain.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: 3 years. Duty refunds: 1 year.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. For value increases, administrative penalties of 30% to 200% of the duty owed, plus interest, may apply on a case-by-case basis. For value decreases, a warning or administrative penalties of RMB 1,000 to RMB 10,000 may apply on a case-by-case basis. If a voluntary disclosure is made, penalties may be reduced, but interest would still apply.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	If the importer elects to report, the importer should contact the customs authorities to seek guidance on how to proceed.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction or aggregate, depending on the requirements of the customs authorities involved.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. An adjustment to import value will automatically result in the assessment of additional VAT.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional VAT filings are required. VAT refunds are unlikely.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. Administrative penalties of 30% to 200% of the import VAT owed, plus interest, may apply. Value decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Possibly. Tax and customs operate as two branches within one authority, but separate methodologies are used to evaluate pricing. There are no procedures to coordinate decision making between the two branches.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No. Reporting is voluntary, though recommended to avoid potential penalties.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, and there is no risk of fines or penalties.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	N/A
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: 3 years. Duty refunds: N/A
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties of 50% of the difference between the declared value and the adjusted value, plus interest, may apply. If a voluntary disclosure is made, penalties are reduced by 20%.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should file a "customs correction declaration" along with any documents showing why the value increased.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction adjustments are required.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. Any additional VAT owed must be paid.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	N/A
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. Penalties of 50% of the difference between the declared value and the adjusted value, plus interest, may apply. Value decrease: No.

Czech Republic

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No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Possibly, but this is untested.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes, provided that the conditions of the adjustment were known at the time of importation.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes, provided that the conditions of the adjustment were known at the time of importation.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 3 years from the date of release of the imported goods. This time limitation is extended to 10 years for criminal acts.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Fines of up to EUR 160,000, plus penalties of 20% of the duty owed, may apply. No interest would apply. If a voluntary disclosure is made, no fines, penalties or interest would apply.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should submit a letter and an application to the customs authorities for payment of additional duty owed. The customs authorities would then provide guidance on how to proceed.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction adjustments are required.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	The ordinary VAT return for the period in which the change was made must be adjusted to reflect the new VAT tax base and VAT amount.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	The ordinary VAT return for the period in which the change was made must be adjusted to reflect the new VAT tax base and VAT amount.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. If the adjustment is discovered upon audit, penalties of 20% of the VAT owed, plus interest and a fine of up to EUR 2,000, may apply. If an adjusted VAT return is filed, no penalties or interest would apply. Value decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 3 years from the date of release of the imported goods. This time limitation is extended to 5 years for criminal acts.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties of up to 50% of the duty owed may apply if the adjustment is discovered upon audit. No interest would apply. If a voluntary disclosure is made, no penalties or interest would apply.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should file a general correction form, including supporting documents, and a letter of explanation.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction adjustments are required.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	A corrected VAT return and an updated invoice/credit note must be submitted, and the VAT owed must be paid. However, if the adjustment is small enough, the VAT return may not need to be corrected and the amount may be included in the next VAT return.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	A corrected VAT return and an updated invoice/credit note must be submitted. However, if the adjustment is small enough, the VAT return may not need to be corrected and the amount may be included in the next VAT return.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Generally, no. The customs and tax authorities communicate with each other, but there are no procedures to coordinate decision making between the two authorities.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, unless the importer utilized the "provisional customs clearance" program and must establish a final value. There is no risk of fines or penalties.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	No, unless the importer utilized the "provisional customs clearance" program.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 3 years from the date of the taxable event.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties of 1 to 2 times the value of goods, plus interest, may apply to upward adjusted values, unless the importer utilized the "provisional customs clearance" program.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should implement a "provisional customs clearance" agreement before the importation of the goods. This agreement will specify the procedure to make adjustments.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Generally, transaction-by-transaction. However, aggregate adjustments may be permitted if the "provisional customs clearance" program has been implemented.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	Possibly. The "provisional customs clearance" agreement may facilitate repeated adjustments.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	The original invoices must be canceled and reissued in addition to the customs declaration amendment. The overpaid VAT could be refunded or credited depending on the advance agreement with the authorities.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Yes. The customs authorities could accept the arm's length price determined for tax purposes, provided that it is supported by a transfer pricing study, among other things.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes, provided that a written contract or transfer pricing agreement was in place prior to the date of importation indicating that a change in price may occur.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 3 years from the date the customs declaration is accepted. This time limitation can be extended to 10 years in cases of fraud.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties may apply, but no interest. The penalty amount is equal to the customs authorities' determination of the "economic benefit" received by the importer due to the under-declaration of value. If a voluntary disclosure is made, no penalties or interest would apply.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should contact the customs authorities to seek guidance on how to proceed.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction adjustments are required.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. If the importer is not fully entitled to recover import VAT, an adjustment to import value will automatically result in the assessment of additional VAT. If the importer is fully entitled to recover import VAT, the additional VAT will not be assessed.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional VAT filings are required. An adjustment to import value will automatically result in a refund of the overpaid VAT. The difference between the import VAT claimed for input VAT recovery from the tax authorities and the import VAT assessed and refunded by the customs authorities will need to be repaid to the local tax office.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: Yes. Fines may apply but no penalties or interest. If a voluntary disclosure is made, no fines would apply.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No. There are no formal procedures; however, the two authorities increasingly share information.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Possibly. Retroactive transfer pricing adjustments that increase the price paid by the importer made after the final determination by customs authorities may be required to be reported in certain circumstances (e.g., where there is an actual additional payment associated with the increase in customs value). Non-reporting of such value increases may result in penalties.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes, provided that the adjustment resulted in actual additional payment associated with the increase in customs value.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Technically, no. However, imports are subject to provisional assessment until a final valuation determination is made by the customs authorities. Adjustments made prior to the final valuation determination should be assessed and the correct amount of duty and interest deposited.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	No.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: 1 year. The time limitation is extended to 5 years in cases of evasion. Duty refunds: N/A
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Generally, only interest would apply. However, penalties of up to the amount of duty owed, plus interest, may apply in cases where the customs authorities allege intent to evade duty in the final valuation determination.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should document the facts relating to the adjustment, pay the additional duties owed, plus interest, and seek acknowledgement of the submission made to the customs authorities.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction adjustments are required.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	N/A
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No. There is no requirement to report increases to value, and any attempt to voluntarily disclose such adjustments will not reduce or eliminate potential penalties.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, and there is no risk of fines or penalties.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	N/A
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: 2 years. Duty refunds: N/A
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties of 100% to 1000% of the duty owed may apply depending on the amount of duty owed. Voluntary disclosure does not eliminate or reduce these penalties.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	N/A
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction or aggregate, depending on the requirements of the customs authorities conducting the audit.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. An adjustment to import value will automatically result in the assessment of additional VAT.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	N/A
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. Interest of 2% of the VAT owed per month, for a maximum of 24 months, may apply if the adjustment is discovered upon audit. Value decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Yes.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes, provided that the adjustment exceeds 5% of the originally declared value or quantity of the goods.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 3 years from the date of importation. This time limitation may be extended in cases of fraud.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Interest may apply from the date when the debt was communicated (as opposed to the date of the adjustment or the date of the original import). No penalties would apply.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should file Form C&E 125A with the customs authorities and amend the original Single Administrative Document.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Generally, transaction-by-transaction. However, aggregate adjustments may be accepted on a case-by-case basis, depending on the volume of affected transactions.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. The customs authorities may require that the additional VAT owed is paid.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	In practice, no additional VAT filings should be required.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. Penalties and interest may apply. Value decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Generally, no. While there are no formal procedures that govern how the tax and customs authorities would arrive at the same price, it may be possible to arrange for a meeting with the two authorities to obtain joint approval.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	No, unless the importer utilized the "provisional customs clearance" program.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 3 years from the date of the taxable event. This time limit is extended to 10 years in cases of fraud.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties of up to 10 times the duty owed, plus interest, may apply. If the importer has implemented the "provisional customs clearance" program, interest may apply, but no penalties. If a voluntary disclosure is made, no penalties may apply.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should implement a "provisional customs clearance" agreement before the importation of the goods. This agreement will specify the procedure to make adjustments. However, if the provisional customs clearance program has not been implemented, voluntary disclosure is an option.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Generally, transaction-by-transaction. However, aggregate adjustments may be permitted if the "provisional customs clearance" program has been implemented.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No. However, frequent adjustments may result in increased scrutiny from the customs authorities.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	Possibly. The "provisional customs clearance" agreement may facilitate repeated adjustments. However, the time period to declare final values must be negotiated with the customs authorities (the time period cannot exceed 3 years).
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. An adjustment to import value will automatically result in the assessment of additional VAT.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional VAT filings are required, although a request must be made to obtain a refund of overpaid VAT. However, this is not recommended because the importer would recover input VAT through the monthly VAT computation.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. Penalties of 1 to 10 times the VAT owed, plus interest, may apply, if the adjustment is discovered upon audit. If the importer directly requested the amendment of the customs declaration, interest may apply, but no penalties. Value decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No. Reporting is voluntary, though recommended to avoid potential penalties.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No. Reporting is voluntary, though recommended to avoid potential penalties.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes. In practice, however, duty refunds are difficult to obtain.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 5 years. This time limitation is extended to 7 years in cases of fraud.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties of 10% to 15% of the duty owed, as well the annual rate of interest, may apply. If a voluntary disclosure is made, interest would apply, but no penalties.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should contact the jurisdictional customs authorities and negotiate how to amend past import declaration forms.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Aggregate adjustments are available for upward adjustments, if previously negotiated with the customs authorities. Duty refunds may require a transaction-by-transaction adjustment.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	Yes. The "advanced declaration of customs valuation" program allows the importer to obtain approval to calculate the expected customs value due to transfer pricing adjustments.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	An adjustment to import value will automatically result in the assessment of additional Japanese Consumption Tax ("JCT") by the customs authorities. However, amended JCT filings with the tax authorities are required to adjust the input JCT amount.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	An adjustment to import value will automatically result in a JCT refund from the customs authorities. However, amended JCT filings with the tax authorities are required to decrease the input JCT credit.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Penalties of 10% to 15% of the JCT owed, as well the annual rate of interest, may apply. If a voluntary disclosure is made, interest would apply but no penalties. Value decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No. Reporting is voluntary, though recommended to avoid potential penalties. (Importers are subject to self-assessment and required to declare the correct value).
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No. Reporting is voluntary, though recommended to avoid potential penalties. However, the customs authorities generally would not accept a decrease in value due to a retroactive transfer pricing adjustment.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Generally, no. Refunds may be possible in the unlikely event that a decrease in value due to a downward retroactive transfer pricing adjustment is accepted by the customs authorities.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: 5 years from the date of the original payment. There is no time limitation in cases of fraud. Duty refunds: 12 months from the date of the original payment.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties of 2% of the duty owed per month, payable from the date the duty was due, may apply. In addition, the false declaration of value may result in fines of up to USD 10,000. If found upon audit, the above penalties and fines may not be assessed if the importer pays the additional duties owed within a specified time period. If a voluntary disclosure is made, penalties may be reduced.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should contact the customs authorities to seek guidance on how to proceed.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction adjustments are required.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. Any additional VAT owed must be paid.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional VAT filings are required. In the unlikely event that the customs authorities accept a decrease in value due to a retroactive transfer pricing adjustment, the importer can make claim for a VAT refund.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: Yes. Penalties of 2% of the VAT owed per month, payable from the date the VAT was due, may apply.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	Possibly. This would need to be negotiated with the customs authorities on a case-by-case basis.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Possibly. This would need to be negotiated with the tax and customs authorities on a case-by-case basis.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 3 years from the date of the taxable event. This time limitation is extended to 10 years in cases of fraud or other criminal activity.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties of twice the additional duty owed, plus interest of 9.6% per year, may apply. If a voluntary disclosure is made, penalties may be reduced or eliminated, except in cases of obvious negligence or fraud.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should notify the customs authorities and file an additional customs declaration. The customs authorities would then provide guidance on how to proceed.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction or aggregate, depending on the requirements of the customs authorities involved.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No. However, frequent adjustments may result in increased scrutiny from the customs authorities.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	An amended VAT return must be filed in addition to the customs declaration. The import VAT declared would be recoverable on the same return according to the importer's overall VAT recovery rate.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	An amended VAT return must be filed in addition to the customs declaration. The import VAT declared would be recoverable on the same return according to the importer's overall VAT recovery rate.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: Yes. Penalties and interest may apply on a case-by-case basis.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	Generally, yes.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No. Reporting is voluntary, though recommended to avoid potential penalties.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, and there is no risk of fines or penalties. However, voluntary reporting is recommended if the importer wishes to request a duty refund.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: 3 years from the date on which customs duty was payable or the deficient customs duty was paid. Duty refunds: 1 year after the overpayment was made.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Typically, no. Penalties would only apply in cases of fraud or tax evasion.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should submit a letter to the customs authorities to seek guidance on how to proceed.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction adjustments are required.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. Any additional VAT owed must be paid.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional VAT filings are required.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: No.

Mexico

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No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Yes. However, this is difficult in practice and uncommon.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: No time limitation. Duty refunds: 5 years.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties, fines, and interest may apply. The general penalty rate is 11% of the duty owed. If the pedimento is voluntarily amended, penalties and interest will still apply, though fines would be eliminated.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should amend the import pedimento through the Pedimento R1 Form and amend the original invoice. The Pedimento R1 must be submitted by the customs broker and linked to the original import pedimento.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction adjustments have historically been required. However, aggregate adjustments are provided for in the General Foreign Trade Rules.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	Yes. A downward adjustment may only be made twice within the 5-year duration of the pedimento. However, there are no restrictions on the number of upward adjustments.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	The monthly VAT declarations, as well as the import pedimentos, must be amended and the additional VAT owed must be paid. It is also required to support the increase in value and the additional VAT owed.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	The monthly VAT declarations, as well as the import pedimentos, must be amended, which will result in a credit of the overpaid VAT. The importer may request a refund instead of a credit. It is required to support the credit of the overpaid VAT.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: Yes. If the adjustment is discovered upon audit, penalties, plus fines and interest, may apply. If a voluntarily disclosure is made, only fines and interest may apply. If an aggregate adjustment is made in accordance with the General Foreign Trade Rules, an administrative fine of MXN 993 to MXN 1,419 may also apply.

Netherlands

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No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Yes. The customs and tax authorities cooperate closely on transfer pricing issues.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 3 years from date of release of the imported goods. This time limitation is extended to 5 years for criminal acts.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties may apply, but no interest. If a voluntary disclosure is made, no penalties would apply.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should contact the customs authorities to seek guidance on how to proceed.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Aggregate adjustments may be permitted. However, each adjustment must be linked to a specific transaction and the corresponding duty rates for the affected entries, if requested by the customs authorities.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No. However, frequent adjustments may result in increased scrutiny from the customs authorities.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	Yes. Customs valuation rulings may be used to implement repeated adjustments.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	The importer should obtain an amended invoice from the supplier. Additionally, the importer should submit an amended VAT filing within the VAT reporting period in which the amended invoice is issued. Depending on the kind of supply, the additional VAT owed must be paid.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	The importer should obtain a credit note from the supplier. Additionally, the importer should submit an amended VAT filing within the VAT reporting period in which the credit note is issued. Depending on the kind of supply, overpaid VAT may be refunded.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes, fines, penalties, and interest may apply for not amending VAT filings due to the adjustment. If the adjustment is voluntarily disclosed, interest may apply. Value decrease: No.

New Zealand

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No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 4 years from the date of the original assessment. There is no time limitation in cases of fraud.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. If an entry is found to be materially incorrect, a penalty of the greater of NZD 50 or 20% of the unpaid duty, up to a maximum amount of NZD 10,000 per entry, may be imposed. If payment is not made by the new due date set for the additional payment (usually 20 days from the date that the amended assessment is made), an additional penalty may apply. If a voluntary disclosure is made, no penalties would apply.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer may make a voluntary disclosure via letter to the customs authorities.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Aggregate adjustments are permitted. However, the importer may request that adjustments be made on a transaction-by-transaction basis.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional Goods and Services Tax ("GST") filings are required. Any additional GST owed must be paid.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional GST filings are required. The importer may request a refund of overpaid GST, provided that the importer is not already registered for GST. If the importer is registered for GST, the overpaid GST would be claimed as an input tax deduction and no refund would be provided.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Yes. However, there are no formal procedures that govern how the tax and customs authorities would arrive at the same price.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, and there is no risk of fines or penalties. However, voluntary reporting is recommended if the importer wishes to request a duty refund.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 3 years from the filing date of the customs declaration. This time limitation is extended to 10 years in cases of fraud or if insufficient information is provided by importer.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties and interest may apply for adjustments that increase the customs value. The typical penalty is 30% of the duty owed. If a voluntary disclosure is made, interest would apply, but no penalties.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer may file an application for postponed determination if the final customs value is not known at the time of import. The importer should file a Single Administrative Document with the new customs value and duty owed for upward adjustments. The importer would file an application with the customs authorities for downward adjustments.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Generally, transaction-by-transaction. However, aggregate adjustments may be accepted on a case-by-case basis.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. The customs authorities would issue a bill in the following month, and any additional VAT owed must be paid.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional VAT filings are required. No refund or credit of overpaid VAT would be provided.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. Penalties of 5% to 10% of the import VAT owed may apply. Value decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, and there is no risk of fines or penalties.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	N/A
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, and there is no risk of fines or penalties.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	N/A
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	N/A
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	No.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	N/A
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	N/A
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	N/A
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	N/A
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	N/A (import VAT is not affected by retroactive transfer pricing adjustments).
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	N/A (import VAT is not affected by retroactive transfer pricing adjustments).
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: No.

Philippines

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No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No. Reporting is voluntary, though recommended to reduce potential penalties.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, and there is no risk of customs fines or penalties. Reporting is recommended to reduce potential VAT penalties.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes. However, tax credit certificates that can be used to pay customs duties are provided rather than duty refunds.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: Generally, 3 years from the date of payment. There is no time limitation in cases of fraud. Duty refunds: 6 years from the date of payment.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties equivalent to 1/2 to 2 times the duty owed may apply. If a voluntary disclosure is made, penalties may be reduced.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should send a letter to the Commissioner of Customs, in accordance with the Voluntary Disclosure Program, amending the affected entries and tendering the duty owed. Note: this program is not available if the importer is under prior investigation.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction adjustments are required.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	The monthly VAT return should be amended to reflect the correct amount of import VAT and filed with the tax authorities. Any additional VAT owed must be paid.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	The monthly VAT return should be amended to reflect the correct amount of import VAT and filed with the tax authorities. A VAT credit is typically provided instead of a refund.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: Yes. If the adjustment is discovered upon audit, penalties of PHP 1,000 to PHP 50,000 plus interest of 20% of the VAT owed, per annum, may apply. A 50% surcharge may also apply if the VAT-related adjustment is more than 30% of the original VAT base.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No. However, the customs authorities may consider the approved transfer pricing methodology as a factor in supporting the price.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes. In practice, however, customs authorities do not always enforce this requirement.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Possibly. A refund request would be analyzed and approved on a case-by-case basis.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: 3 years. This time limitation may be extended in cases of fraud. Duty refunds: Generally, 3 years.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties and interest may apply. If a voluntary disclosure is made, interest may apply, but no penalties.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should file an application to amend the import declaration and submit an explanatory letter to the customs authorities. If an adjustment is discovered upon audit, the customs authorities will amend the import declaration.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction adjustments are required.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. The customs authorities would issue a decision, and any additional VAT owed must be paid.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional VAT filings are required. A VAT refund is available, provided that the import VAT has not already been recovered.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. Interest would apply. Value decrease: No.

Portugal

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No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 3 years from the date of the taxable event.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties and interest may apply. If a voluntary disclosure is made, penalties may be reduced.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should contact the customs authorities to seek guidance on how to proceed.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction or aggregate, depending on the requirements of the customs authorities involved.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. An adjustment to import value will automatically result in the assessment of additional VAT.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional VAT filings are required, although a request must be made to obtain a refund of overpaid VAT.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. Penalties of 20% to 100% of the VAT owed (with a maximum of EUR 30,000 per penalty), plus interest of 4% per annum, may apply. If a voluntarily disclosure is made, penalties may be reduced. Value decrease: No.

Romania

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No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes. In practice, however, duty refunds are difficult to obtain.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 3 years.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties of 5% to 15% of the duty owed, plus interest of 0.04% per day, may apply. Additionally, fines of RON 500 to RON 8,000 per review period may apply. Voluntary disclosure does not eliminate or reduce these penalties, fines, or interest.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	Typically, the importer would submit a letter to the customs authorities notifying them of the change in the customs value, with an appendix listing all the affected transactions. The customs authorities would then issue a decision indicating the amount of duty and VAT owed.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Aggregate adjustments may be permitted.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. The customs authorities will issue a decision, and any additional VAT owed must be paid and reported as a settlement in the VAT return.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional VAT filings are required. The customs authorities will issue a decision, and any overpaid VAT would be refunded and reported as a settlement in the VAT return.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. Penalties of 5% to 15% of the VAT owed, plus interest of 0.04% per day, may apply. Value decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, and there is no risk of fines or penalties. Importers may consider reporting downward adjustments to potentially obtain a duty refund, though refunds are difficult to obtain.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes. In practice, however, duty refunds are difficult to obtain.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: 3 years from the original payment. Duty refunds: 3 years from the date of payment.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Interest and penalties of up to 200% of the duties and taxes owed may apply. Importers may attempt to avoid penalties through voluntary disclosure, although this is not always successful.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer must submit an application form providing details on the value adjustment and documentation that supports the change in value.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction adjustments are required.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. However, additional supporting data and documentation may be requested by the tax authorities.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional VAT filings are required. If a VAT refund is requested and granted, then the original VAT filing must be amended.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: No. Value decrease: Yes. If the overpaid VAT is refunded/offset, but the VAT filing is not properly amended, penalties of 20%, plus interest, may apply.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	Yes. Transfer pricing studies and APAs can be accepted. However, the importer must demonstrate to the customs authorities that the transfer pricing adjustments can be substantiated and are reflected in the commercial/accounting records.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No. There is currently no formal procedure in place. However, there is a possibility that this may change in the future.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: No time limitation. Duty refunds: 1 year from entry of the goods and payment.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Typically, no. Penalties would only apply in cases of fraud.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should make a submission to the customs authorities through the Voluntary Disclosure Program or by letter.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Disclosures can be made on an aggregate basis. Adjustments are made either by single supplementary permit or on permit-by-permit basis.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	Yes. The Voluntary Disclosure Program can facilitate repeated retroactive adjustments.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	If the net Goods and Services Tax ("GST") impact of the adjustment is less than SGD 1,500 for all the affected periods, the adjustment can be reported on the next GST return. If not, the adjustment should be voluntarily disclosed in writing to the tax authorities and the approach to corrective action agreed upon.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	A refund of the overpaid import GST can be claimed in the next GST return. In practice, however, downward adjustments are rarely reported where the declarant is able to recover all the import GST paid.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes, penalties of up to 5% of the VAT owed may apply. If a voluntary disclosure is made, no penalties would apply. Value decrease: No.

South Africa

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No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 2 years.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties of up to 25% (or higher) of the duty owed, plus interest, may apply. If a voluntary disclosure is made, interest would apply, but no penalties.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should file a voluntary disclosure and amend each affected entry.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction or aggregate, depending on the requirements of the customs authorities involved.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. An adjustment to import value will automatically result in the assessment of additional VAT.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional VAT filings are required. No refund or credit of import VAT would be provided.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. Penalties of up to 10% of the import VAT owed, plus interest, may apply. If a voluntarily disclosure is made, interest would apply, but no penalties. Value decrease: No.

South Korea

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No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No. However, preliminary steps have been taken to increase the exchange of information and cooperation between the two authorities.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No. Reporting is voluntary, though recommended to avoid potential penalties.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, and there is no risk of fines or penalties.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Typically, no, but the customs authorities involved may accept a downward adjustment if it can be shown there was a pre-existing agreement for the transaction price.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: 5 years. Duty refunds: 2 years.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. A penalty tax, plus interest, may apply, if an upward adjustment is discovered upon audit. Voluntary declaration does not eliminate the penalty tax or interest.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should file a declaration form and supporting documents with the Local Customs House, in accordance with the general post-importation declaration procedure.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Generally, transaction-by-transaction. However, aggregate adjustments may be permitted if discovered upon audit.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. Any additional VAT owed must be paid. The customs authorities would then issue a new import VAT receipt for the VAT paid, along with the date of payment.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	N/A
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. A penalty tax and interest may apply. If a voluntary declaration is made within 6 months of the initial declaration date, the penalty tax may be waived, though the interest would still apply. Value decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes, provided that the importer reports a provisional value at the time of importation or has a customs valuation agreement in place.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 3 years from the date of the taxable event.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties of 50% to 150% of the duty owed, plus interest and surcharges, may apply. If a voluntary disclosure is made, only interest and surcharges may apply.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should submit a written statement to the customs authorities to report the change in value and identify the affected entries. The customs authorities would then issue a payment letter outlining the additional duties and VAT owed.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction adjustments are required.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	Yes. Valuation agreements with the customs authorities may define the procedures for repeated adjustments. In addition, importers may apply for the provisional value program, which may facilitate adjustments to value made on a monthly or quarterly basis.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. The customs authorities will issue a payment letter, and any additional VAT owed must be paid.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional VAT filings are required. If the importer has declared a provisional value at the time of import, an adjusted VAT return should be filed with the tax authorities to obtain a refund of overpaid VAT.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. Penalties of 50% to 100% of the VAT owed, plus interest, may apply if the adjustment is discovered upon audit. If a voluntarily disclosure is made, a surcharge of 5% to 20% of the VAT owed may apply. Value decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Yes, but this is untested.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments and duty refunds: 3 years from the date of the original import declaration.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties of 20% of the duty owed, plus interest, may apply. If a voluntary disclosure is made, interest may apply, but no penalties.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer may file new import declarations to replace the original declarations or may submit a spreadsheet containing all entry data with the adjusted values and corresponding duties, along with supporting documentation.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction adjustments are required.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No. However, frequent adjustments may result in increased scrutiny from the customs authorities.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	N/A (The customs authorities will not reassess the import VAT in the event of a customs value decrease).
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. Fines of 10% of the import VAT owed may apply if the adjustment is discovered upon audit. Value decrease: No.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Yes. The importer may submit a ruling request to the customs authorities to confirm the acceptability of the transfer price.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes. Customs duty is generally based on weight; however, the customs authorities require that the actual value be declared as well. An incorrect value declaration may result in potential penalties.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	No. Customs duty is based on weight rather than value and any retroactive transfer pricing adjustment will not affect the duty.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes. Customs duty is generally based on weight; however, the customs authorities require that the actual value be declared as well. An incorrect value declaration may result in potential penalties.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	No. Customs duty is based on weight rather than value and any retroactive transfer pricing adjustment will not affect the duty.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	N/A
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties may apply for incorrect value declaration, but the amount depends on the circumstances. If a voluntary disclosure is made, no penalties would likely apply.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should contact the customs authorities to seek guidance on how to proceed.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction or aggregate, depending on the requirements of the customs authorities involved.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No. However, it may be possible to file a ruling request to obtain binding information for repeated retroactive adjustments.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	The customs authorities must be notified of the VAT adjustment within 30 days. There is no standard process for reporting and paying the additional VAT.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	An application must be filed to obtain a refund of overpaid VAT if the importer is not entitled to a 100% input VAT reduction. If the importer is entitled to a 100% input VAT reduction, the overpaid VAT could be recovered on the next VAT return.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase: Yes. Penalties and interest may apply, if the adjustment is discovered upon audit. If the adjustment is communicated within 30 days, no penalties or interest may apply. Value decrease: Possibly. Penalties may apply, but are not likely.

No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	No, and there is no risk of fines or penalties.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	N/A
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: 6 months. This time limitation may be extended to 2 years if the importer is audited. Duty refunds: N/A
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. Penalties and interest may apply, if the adjustment is discovered upon audit. If the importer is granted permission to adjust the value, only interest would apply.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer would submit a letter to the customs authorities to seek approval to make adjustments. If approved, the importer would file an amended import declaration form.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Transaction-by-transaction adjustments are required.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	An adjustment to import value will automatically result in the assessment of additional VAT. Note: the customs assessment period is shorter than the VAT assessment period. The importer should inform the VAT authorities of the adjustment if it was made after the end of the customs assessment period.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	N/A
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: No.

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No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	No. However, increased cooperation between customs and tax authorities is expected in the future.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	No.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes. In practice, the potential for this to occur should be discussed with customs authorities in advance of the imports affected.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Yes.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Yes.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes. However, in practice, duty refunds are difficult to obtain and require discussion with customs authorities.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: 3 years from the date on which the debt was incurred. There is no time limitation in cases of fraud. Duty refunds: 3 years from entry acceptance.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Interest may apply at the discretion of the customs authorities. Penalties would only apply in cases of fraud or obvious negligence.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	The importer should contact the customs authorities as soon as they are aware of the need to make an adjustment. The customs authorities will then typically issue a "post clearance demand note".
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Aggregate adjustments may be permitted with agreement from the customs authorities.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No. However, frequent adjustments may result in increased scrutiny from the customs authorities.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	No.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	No additional VAT filings are required. The additional VAT owed must be paid and the payment will then appear on the next import VAT certificate.
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	No additional VAT filings are required. However, to obtain a refund of overpaid VAT, the importer should file an application for repayment (form C285) along with a written declaration that the importer will not reclaim the import VAT on the original higher customs value.
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	Value increase and decrease: No.

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No.	Question	Answer
1	Is a transfer pricing study or an Advance Pricing Agreement (APA) alone viewed by the customs authorities as sufficient to support the use of the transaction value method of customs valuation?	No. However, transfer pricing studies and APAs may contain information useful to supporting transaction value. Bilateral APAs have been viewed as more persuasive than the alternatives.
2	Is it possible to get the customs and tax authorities to both agree on the same price (price refers to the price paid or payable, exclusive of freight, insurance, and other additions to transaction value) for corporate tax and customs duties purposes?	Yes. If an APA is sought with the involvement of the customs authorities, it may be possible to obtain a supportive customs valuation ruling.
3	Is there any publicly available guidance from the customs authorities on the treatment of related party prices and/or retroactive transfer pricing adjustments from a customs perspective?	Yes. There is an Informed Compliance Publication titled "Determining the Acceptability of Transaction Value for Related Party Transactions" published in April 2007. In addition, numerous customs rulings and case law address valuation for related party import transactions.
4	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>increases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Generally, yes, with very limited exceptions.
5	As applicable, if a retroactive transfer pricing adjustment <u>increases</u> the reported customs value, are additional customs duties and related fees due?	Generally, yes, unless the adjustment was unforeseeable.
6	Are importers required to report to customs authorities a retroactive transfer pricing adjustment that <u>decreases</u> the price paid by the importer? If no, is there still a risk of fines or penalties?	Generally, yes, with very limited exceptions.
7	As applicable, if a retroactive transfer pricing adjustment <u>decreases</u> the customs value, are duty refunds available?	Yes, but only for a limited period (e.g., prior to liquidation or within the 21-month reconciliation period, if applicable). Note that under recently proposed guidance, transfer pricing adjustments must be reported through the Reconciliation program in order to obtain refunds. This proposed reinterpretation of the rules is expected to take effect in the Spring of 2012.
8	In the event of a change to customs value resulting from a retroactive transfer pricing adjustment, what are the time limitations for additional duty payments and/or duty refunds?	Additional duty payments: 5 years from the date of entry Duty refunds: Generally, refunds must be claimed prior to liquidation (typically 314 days) or up to 21 months through the Reconciliation program. See above.
9	Are there any customs-related fines, penalties, or interest that could result from a change to customs value due to a retroactive transfer pricing adjustment?	Yes. If the importer did not act with "reasonable care," the minimum penalty for negligence would be 2 times the duty owed if the goods were dutiable, or 20% of the import value if the goods were not dutiable. Penalties are much greater for gross negligence and fraud. If a voluntary disclosure is made, only interest may apply. No penalties would apply if the adjustments are made through the Reconciliation program.
10	If available, what is the procedure for reporting to customs authorities changes to customs value resulting from retroactive transfer pricing adjustments?	As noted above, the Reconciliation program is the preferred method for reporting retroactive transfer pricing adjustments. If in the Reconciliation program, the values must be adjusted and reported via reconciliation entries filed within 21 months. If not in the Reconciliation program, before liquidation of the entry (i.e., within approximately 314 days of importation) the importer should file a Post Entry Amendment. If the entry has already liquidated, the importer should file a protest or prior disclosure with customs authorities.
11	If available, can customs-related disclosures for retroactive transfer pricing adjustments be made in the aggregate, or is a transaction-by-transaction adjustment required?	Generally, transaction-by-transaction, with limited exceptions.
12	If available, are there restrictions on the number of customs value adjustments that can happen in a given period of time?	No. If the importer is part of the formal Reconciliation program, there are no restrictions. If not in Reconciliation, there is no limit; however, the customs authorities may question the acceptability of the transaction value if repeated valuation corrections are made due to transfer pricing adjustments.
13	Do any customs programs currently exist to facilitate repeated retroactive adjustments?	Yes. The Reconciliation program allows the importer to flag entries for value at the time of import and then reconcile the originally declared value with a final value within 21 months.
14	If customs value increases are reported to the customs authorities, what actions must also be taken with respect to import Value Added Tax ("VAT") and equivalent?	N/A
15	If customs value decreases are reported to the customs authorities, what actions must also be taken with respect to import VAT or equivalents?	N/A
16	Other than the customs-related fines, penalties, and interest described in Question 9, are there any VAT-only fines, penalties, or interest that could apply when making a VAT-related adjustment due to a value increase or decrease?	N/A

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In the current global business environment, timely access to the right tax information makes the difference

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