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Committee on Customs Valuation

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**NOTIFICATION UNDER ARTICLE 22 OF AGREEMENT ON IMPLEMENTATION  
OF ARTICLE VII OF THE GENERAL AGREEMENT  
ON TARIFFS AND TRADE 1994**

QUESTIONS FROM THE UNITED STATES TO INDIA REGARDING  
DOCUMENTS G/VAL/Q/IND/2 AND G/VAL/Q/IND/5

INDIA

The following communication, dated 18 May 2023, is being circulated at the request of the delegation of the United States.

The United States would like to thank India for its responses in G/VAL/Q/IND/5 to our questions in G/VAL/Q/IND/4 with regard to G/VAL/Q/IND/2. The United States requests responses to the follow-up questions below regarding those responses:

**Question 7**

India's response to question 7 in G/VAL/Q/IND/5 states that valuation of imported goods is carried out in terms of Section 14(1) of the Customs Act 1962 read with Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. Rule 10 of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007 provides that for determination of transaction value, cost and services are computed on an actual basis. However, in rare cases when the cost of transport associated with the delivery of the imported goods to the place of importation and the cost of insurance to the place of importation is not ascertainable, notional values are used for faster customs clearance.

This provision is to be used only in cases where the importer is not able to declare the cost of transport and insurance. In other cases, additions are made on an actual basis.

The United States asks India to clarify whether the notional transport and insurance values used are updated with actual costs once that information is available at a later date?

**Question 10**

The United States thanks India for providing a link to Circular 20/1997-Customs dated 17.06.1997.

Article 2(d) of Circular 20/1997-Customs dated 17.06.1997 indicates that interest charges are not added to the value of merchandise provided the price declared is the price actually paid or payable in the ordinary course of trade. Please indicate how India Customs determines that the price declared is the price actually paid or payable in the ordinary course of trade in those instances.