

MOTOR VEHICLES, AND MOTORISED EQUIPMENT

Introduction

The principal method of valuation for the commercial importation of motor vehicles into Jamaica is the transaction value. However, the general requirements for the application of this method must first be met. These are:

1. The vehicle must have been sold for export to Jamaica
2. A determinable price paid or to be paid must exist at the time of importation
3. The absence of price influence due from a relationship between the buyer and the seller
4. The non-existence of any other consideration other than the price paid
5. The non-existence of any condition that might affect the price
6. The absence of any restriction imposed by the seller on the use or disposal of the vehicle.

If any of these requirements are not met then the Transaction Value Method would no longer be applicable and the vehicle would be valued using a subsequent method of valuation.

Sale for Export

A sale for export means that the seller and the buyer must agree to transfer title and consideration in a manner that will result in Jamaica being the final destination. This means that if a seller is prohibited from selling a vehicle to a buyer outside of his country, then no sale for export exists for valuation purposes. Likewise if an importer imports a vehicle he purchased and used subsequent to importation, then there would

be no sale for export. Motor vehicles received as gifts would also contravene the sale for export requirement and so the transaction value could not be used. Documents to prove sale for export include invoices, certificate of titles, contracts or bills of sale and bills of lading. ***This procedure applies to both new and used vehicles and therefore requires the same documentary evidence for valuation purposes.***

Procedure for Declaration

The import entry must be submitted with a completed declaration of value (C84 or C85), a proper invoice stating clearly the supplier and his location, the buyer and his location, a full description of the vehicle and the price paid or to be paid. The description must include information regarding all of the following:

- Make
- Year
- Model
- Type (whether diesel or petrol)
- Automatic or Standard
- Engine Number
- Serial Number or VIN
- Colour
- Mileage
- CC Rating
- Seating Capacity
- Number of Doors
 - Unladen Weight (where appropriate)
 - Lifting Capacity (where appropriate)
 - Working Hours (where appropriate)

If the invoice does not give the detailed description noted above the additional information must be submitted on a Bill of Sight (C24B) signed by the Customs Broker.

Damaged or Salvage Motor Vehicles or Equipment

Where the vehicle is bought damaged or salvaged the supplier may give details of the damage condition. However, for valuation purposes, a Bill of Sight prepared, signed and stamped by a Customs Officer at the port of entry is required. It must give a full examination report covering the extent of the damage and the imported condition of the vehicle.

It is the duty of the Customs Broker to obtain this report prior to submitting the import entry for processing. It should be noted that the Bill of Sight in this case would not be used as a substitute for the invoice but as a supplement giving additional details that will assist in verifying the value declared.

Vehicle Imported after Modifications:

Under the WTO Agreement on Customs Valuation, the transaction value method is applicable only in instances where the price paid relates directly to the item imported. Therefore if the imported vehicle is modified in any respect after purchase but before importation, then the invoice for the original purchase transaction cannot be the sole element of value for duty purposes.

Therefore, in cases where the imported motor vehicles or equipment are modified, reconditioned, refurbished or converted after purchase but before importation, the cost of this additional work (that is, parts, material, labour, transportation and all other incidental costs) forms part of the value for duty and must be declared to Jamaica Customs. The declaration (C84 & C85) must include these additional costs and all documents providing evidence of these costs must be submitted to support the value declared. Modifications include all accessories and the cost of installation.

Burden of Proof

S19 (2) of the Customs Act gives Jamaica Customs the right to doubt, question, enquire and ultimately reject the value declared for an imported item. This implies that the burden of proving the validity of the declared value lies with the importer. He must demonstrate to the Customs Administration that the declared value represents the total payment made or to be made by him to satisfy his obligation to the supplier. He must provide all evidence that he believes will support his declared

value.

The Department will not specify a mandatory list of additional documents that can be used as evidence of value, but will on a case-by-case basis request certain information that will assist the verification process. Since the importer has all the information regarding the cost of the imported item to him, then he should be able to substantiate these costs to the Department when he is required to do so.

The Verification Process

In cases where the Department has doubts regarding the acceptability of the declared value, the importer will be required to provide additional evidence to substantiate the declaration. After the additional information is received and reviewed by the Department, the value can either be:

1. accepted for valuation purposes;
2. recommended for further verification/investigation; or
3. rejected and the item revalued using another method of valuation.

When a declared value is rejected, the importer has two options. He can:

1. accept the value determined by the Department and pay the duties calculated on this value, or
2. object to the determined value and provide or arrange to provide all the additional information or evidence that will substantiate his declared value.

He will be allowed to provisionally enter (take possession of) the vehicle while the valuation dispute is being settled providing he deposits with the Collector

the difference in the duties calculated by him and that calculated by the Department. He will now have a period of 90 days to settle the matter with the Department. Failing which, the value determined by the Department will become the final assessment and the deposit will be brought to account as duty unless the importer starts proceedings in Court. (*See S.81 of the Customs Act*)

When both parties agree on the value, in instances where a deposit was taken, it might be necessary for the importer to:

- be refunded all or a portion of the deposit or
- be required to pay additional amounts to cover duty obligations.

Note:

A de nova entry is required for instances where a portion of the deposit is refunded or payment of additional duty is required.

The Private Importation of Motor Vehicles

The WTO rules do not apply to private imports and this includes motor vehicles imported by individuals. Therefore the valuation system does not automatically apply to such imports. The Department will on a case-by-case basis assess the declared value and determine whether it can be accepted. This means that an individual importer can expect a revaluation of his vehicle in a case where the value does not closely approximate reference prices.