

Related Persons

Paragraph 1(4) of the Schedule to S.19 of the Customs Act

This procedure outlines the effect upon the application of various methods of valuation of provisions in the schedule to the Customs Act pertaining to related persons.

Guidelines and General Information

According to Paragraph 3(2) of the Schedule to Section 19 of the Customs Act, one of the conditions to be satisfied to establish Transaction Value under Method 1 is that the buyer and seller are not related or, where they are related within the meaning of Paragraph 1(4) of the Schedule, that the provisions of Paragraph 3(3) of the Schedule apply. For the purpose of Paragraph 3(3) of the Schedule, the Transaction Value shall be acceptable where:

- The circumstances surrounding the sale have been examined and it is determine that the relationship did not influence the price actually paid or payable for the goods being valued, or
- The importer of the goods demonstrates that the Transaction value of the goods being valued closely approximates to one of the following values occurring on about the same time:
 - ® The Transaction value in sale of identical or similar goods for export to Jamaica between buyers and sellers who are not related in any particular case;
 - ® The customs value of identical or similar goods as determined under

Paragraph 16 of the Schedule

- ® The customs value of identical or similar goods as determined under Paragraph 7 of the Schedule.

1. Under Paragraph 1(4) of the schedule to the Customs Act, persons are related to each other if:

- a. They are individuals connected by blood relationship, marriage or adoption within the meaning of Paragraph 1(a)(b) of the schedule to Section 19 of the Customs Act.
- b. One is an officer or director of the other
- c. They are legally recognized partners in business
- d. Employer and employee
- e. One directly or indirectly controls or is controlled by the other
- f. They directly or indirectly control or are controlled by the same person (or third party)
- g. Any person directly or indirectly owns, holds or controls five per cent or more of the voting shares of both of them
- h. Together they control, directly or indirectly, a third person.