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**Resolution N 843
of the Cabinet of Ministers
of the Republic of Georgia
“Concerning Approval of the Instructions on
Order of Definition of Customs Value of
Goods Imported to the Territory of the
Republic of Georgia”**

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CABINET OF MINISTERS OF THE REPUBLIC OF GEORGIA

R E S O L U T I O N No.843

December 5, 1994, Tbilisi

Concerning Approval of the Instructions on Order of Definition (Determination) of Customs Value of Goods Imported to the Territory of the Republic of Georgia

For the purpose of fulfilment of requirements of the laws of the Republic of Georgia "On Excise" and "On Value - Added Tax" and for the ensuring of further increase in revenues of the budget of the Republic of Georgia as well, the Cabinet of Ministers resolves:

1. The Instructions "On Order of Definition of Customs Value of Goods Imported to the Territory of the Republic of Georgia" to be approved.
2. The Customs Department of the Republic of Georgia to be charged with:
 - x working out the forms of declaration of customs value and order of its filling in within 2 weeks from the day of the adoption of this resolution;
 - x carrying out the necessary measures for the fulfilment of requirements of the Instructions approved by this resolution and ensuring of staffing of high-qualified specialists;
 - x working out the status of an Applicant of declaration (Customs broker) and produce it together with the corresponding resolution to the Cabinet of Ministers for its approval in terms of 1 month;
 - x to ensure the detailed learning of above mentioned resolution and implicit fulfilment of its requirements by Applicants.
3. The Resolution of the Cabinet of Ministers of the Republic of Georgia comes in force from January 1, 1995.
4. This resolution to be published in media and to be TV-broadcasted.

Prime-Minister
of the Republic of Georgia

O. Patsatsia

2. The customs value of goods is determined in accordance with methods of customs value established by the present instructions. The correctness of customs value of goods is checked by the customs body of the Republic of Georgia which carries out the official registration of goods.

4. Protection of Confidence of Information

1. If information about the customs value of goods declared by the applicant is confidential, the customs body can use it only for purpose of the customs and cannot pass it to any third person including state bodies without special permit of the applicant, except cases specified by the legislative acts of the Republic of Georgia. Should the customs body of the Republic of Georgia or its officials divulge commercial secret or confidential information they are answerable in accordance with the legislation of the Republic of Georgia.

5. Rights and Responsibilities of Applicant (Declarant)

1. Customs value and necessary data for its definition declared by the applicant should be a reliable, defined in quantity and documentary confirmed information.
2. Together with confirmation of declared customs value the applicant should produce the contract, invoice and transport documents. If customs body calls in question the correctness of the data declared by the applicant in customs declaration the applicant has a right to confirm the correctness of the data. If the applicant cannot confirm the correctness of declared data the customs body has a right to announce impossibility of the method of estimation of customs value used by the applicant.

the Republic of Georgia (to port or other place of import). Definition of customs value in price consists of following components (if they haven't been included there before):

- a) cost of delivery of goods to airport, port or other place of entering the customs territory of the Republic of Georgia:
 - x cost of transportation;
 - x expenses of loading and unloading;
 - x insurance;
- b) Expenses, charged by buyer:
 - x commissions and mediator fees, excepting commissions for purchasing;
 - x cost of containers and other multi-used packing if they are considered together with goods to be estimated in whole according to commercial nomenclature;
 - x cost of packing, including cost of packing material and packing labour;
- c) Part of corresponding value of goods and service been offered by buyer in direct or undirect way for purpose of production, utilization or export for sale of estimated goods, at reduced prices or free of charge:
 - x part of value of those raw materials, materials semi-finished products and other completing articles which are components of estimated goods;
 - x part of value of those tools, stamps, forms and other similar subjects for producing estimated goods;
 - x part of value of materials (combustibles, fuel, etc.) expended for the production of estimated goods;
 - x corresponding part of value of necessary engineering works, design, drafts and outlines, have been made abroad and used for the purpose of production of estimated goods;
- d) corresponding part of value of those goods (works, service) produced by importer in direct or undirect way free of charge or at reduced prices for the purpose of their utilization (sale and production) when exporting the estimated goods:
 - x raw materials, materials, machine parts, semi-finished products and other completing articles which are components of estimated goods;
 - x tools, stamps, forms and other similar subjects for producing estimated goods;
 - x subsidirial materials (combustibles and fuel) expended for the production of estimated goods;
 - x engineering and construction works, design, drafts and outlines have been made at the territory of the Republic of Georgia and necessary for the production of estimated goods;
 - x licences and other taxes on utilization of intellectual property which are to be used by buyer in direct or undirect way as a condition of sale of estimated goods;

- x part of profit of the importer from any further sale or use of estimated goods to be return to the exporter;
 - e) amount of part of direct or undirect income of the buyer from any further sale , utilization or transfer of estimated goods, at the territory of the Republic of Georgia.
2. The mentioned method cannot be used for the definition of customs value of goods, when:
- a) there are limits against buyer's rights on estimated goods, except:
 - x limits fixed by the legislation of the Republic of Georgia;
 - x limits of geographical areas where goods can be sell by second time;
 - x limits which actually have no effect on price of goods;
 - b) price of sale and transaction depends on protection of those conditions which cannot be foreseen;
 - c) parties of transactions are interdepend persons except those cases when their interdependence had no influence on transaction prices that is to be confirmed by applicant. At the same time interdependent persons are persons that answer at least one of the following conditions:
 - x any party of the transaction (physical person) or any official from the side of the party is at the same time the official from the side of the other party of the transaction;
 - x parties of the transaction are joint owners of the enterprise;
 - x parties of the transaction are connected with each other by labour relationship;
 - x any party of the transaction holds a share or has a stock with vote in a fixed capital of the other party and this share totals not less than 5% of this capital;
 - x both parties of transaction are connected by the third person;
 - x both parties of transaction control over the third person;
 - x any party of the transaction is controlled by the other party of the transaction;
 - x parties of transaction are kindred.

10. Method of Definition of Customs Value of Goods According to the Transaction Price of Identical Goods (Version 2)

1. For the definition of customs value of goods by method of estimation according to the transaction price of identical goods there is to be used the transaction price of identical goods with protection of terms and conditions given in the present article. At the same time, identical goods are the goods which are similar to estimated goods in all aspects, including the following ones:
- x physical descriptions;
 - x quality and image at market;

x country of origin;

x

1. If customs value of goods cannot be defined by methods of definition of customs value of goods, mentioned in Articles 9-13 and, used by applicant in consecutive order or, if customs body argumentarily considers that these methods cannot be used, the definition of customs value of goods is carried out in correspondence with world practice.

When using the emergency method the customs body of the Republic of Georgia gives the applicant the information about prices it has in its disposal.

2. The following items cannot be used when defining customs value of goods by the reserve method:
 - a) price of goods at domestic market of the Republic of Georgia;
 - b) price of goods of country-exporter for export to third country;
 - c) price of goods of Georgian origin at domestic market of the Republic of Georgia;
 - d) unauthorizebly fixed or non-confirmed prices of goods.