

Ordinance No.209 of 15 May 2003 "On Approval of Rules for Filling In Forms of Customs Value Declaration and Rules for Filling In Forms of Customs Value Correction" by the Chairman to the Agency of the Republic of Kazakhstan on Customs Control

In accordance with the Customs Code of RK Articles 317 and 318, I order the following:

1. Approve the enclosed:
  - 1) Rules for Filling In Forms of Customs Value Declaration;
  - 2) Rules for Filling In Forms of Customs Value Correction.
2. Legal Support Division of the Agency of RK On Customs Control (Ansarova I.Y.) is responsible for ensuring official state registration of this ordinance.
3. Press-service of the Agency of RK On Customs Control is responsible for publishing this ordinance in mass media.
4. Vice Chairman of the Agency of RK On Customs Control Mr. Mulkin S.D. is responsible for ensuring the execution of this ordinance.
5. This ordinance becomes effective on the day of its official state registration at the Ministry of Justice of the Republic of Kazakhstan.

Chairman  
B. Saparbayev

Approved  
by Ordinance No.209 of 15 May 2003  
by the Chairman of the Agency  
of the Republic of Kazakhstan On Customs Control

Rules  
For Filling In Forms of Customs Value Declaration

1. General Description of the Customs Value Declaration and Requirements to Filling It In

1. The Customs Value Declaration (hereinafter referred to as the CVD) is an annex to the corresponding cargo customs declaration (hereinafter referred to as the CCD) and is void without the latter.

In cases when the customs value has been corrected in forms CVD-1 or CVD-2 (Annexes 1 2 hereto), the Customs Value Correction forms (Annexes 1 2 to the Rules for Filling In the Customs Value Correction Forms) shall be indispensable part of the CCD.

CVD shall be submitted along with the CCD to the customs body arranging customs formalities for goods. The customs body checks and draws the CCD hereunder, taking into account specifics of the deal to be valued.

2. The CVD must enclose documents (original or copies, depending on the requirements) meeting the requirements to the established procedures of the customs

value declaration and correction for goods crossing the customs border of the Republic of Kazakhstan.

The CVD shall be made in 3 copies, of which:

- one copy is for the customs body;
- one copy is for a declarant;
- one copy shall be sent to the Customs Revenues (Customs Payments) Department.

3. The CVD-1 and CVD-2 forms consist of two main sheets:

- the first sheet contains information on the applicability of the customs valuation methods;
- the second sheet contains information on the customs value and its elements.

All other CVD sheets, starting with the three one are additional.

The numeration of the additional sheets starts with number three (i.e. sheets 1 and 2 are the main sheets of the form, sheet 3 and the following sheets are additional ones).

The main sheets of the CVD shall be filled for one to three items. If a delivery contains more than three items, additional sheets shall be used for extra items, each sheet for one to three items.

Additional sheets may be used only provided that the information on the first sheet (cover) of CVD-1 or CVD-2 is applicable to the goods specified in the additional sheets.

The second sheet of CVD-1 or CVD-2 shall be used as a template for additional pages.

4. The data in the CVD and additional sheets shall be typed in either the state (the Kazakh language) or in the Russian language. Corrections or blots must be in the CVD and additional sheets. All corrections (if any) in information provided by a declarant must be made by a declarant/himself and should be done in the following way: cross out wrong data by typing or writing over the necessary corrections with a blue or black ballpoint pen. Every correction shall be confirmed by declarant's signature when declarant is a natural person or by the legal entity's seal and employer's signature when the declarant is a legal entity.

The customs bodies shall not accept CVD and additional sheets if they are illegible, contain corrections not attested by the declarant.

The declarant must sign every sheet of the CVD.

5. The customs body registers the CVD the same as it registers the CCD. It assigns the CVD the same registration number as the one assigned to the CCD, since CVD is the annex of the CCD (99999/9999999999). After the CVD is checked, the inspector adds the CVD's registration number to the "Customs' Notes" part of the main and additional sheets of the form, along with his or her personal stamp and signature. A record is made in the CVD on the resolution of the customs body pertaining to the customs value and the authorized forming the goods by the declarant, meeting the requirements of the procedures and the of declaration and correction of the customs value of goods moved across the customs border of the Republic of Kazakhstan.

6. If there is not enough space on the main and additional sheets of the CVD, the declarant is allowed to provide the necessary information on the back of the CVD

form, specifying the line it refers to. The declarant shall put his/her signature to confirm such records and make notes "see back page" in the corresponding lines.

## 2. Rules for Filling In the Customs Value Declaration in CVD-1 Form

7. CVD-1 Form shall be used with the application method 1 (by the deal price of the imported/exported goods).

8. The declarant shall fill in the following lines: 1, 2(a), 2(b), 3, 4, 5, 7(a), 8(b), 9(a), 9(b), 10(a), 10(b), 11, 12(a), 12(b), 13(a), 13(b), 13(c), 14, 15, 16(a), 16(b), 16(c), 17, 18, 19, 20, 21,

Line 10(a). "Number of additional sheets enclosed to CVD-1 form".

Specify the number of additional sheets to be enclosed to the CVD (the number of sheets must be the same as the last sheet number minus 2).

Line 10(b). "Place and date".

Specify the place and date of filling the CVD, full name and initials of the person authorized to declare the goods (as stated in line 2(b)) on behalf of the declarant, his or her position, telephone and fax numbers as well as person's signature and declarant's seal. The customs body request presenting the duly made letter of attorney or other document confirming the power of such person. The information in this line shall be the same as the information in line 54 of the CCD.

The second sheet of CVD-1.

This sheet is for calculation of the customs value by method 1.

Every sheet can have data on up to three items (goods). The sheets shall be numbered as follows: put its ordinal number and the registration number assigned to CVD-1 on every additional sheet.

Line "Product Number".

Refer to the corresponding product number from CCD's line 32 or the additional sheet thereto and the product code by the Foreign-Economic Activity Product Nomenclature (hereinafter referred to as the FEA PN) used on the territory of the Republic of Kazakhstan.

Section "A". Calculation basis.

This section contains data on the paid or subject to payment price, which is the basis for calculation of the goods' customs value. If, depending on the delivery terms (line 3) and other contract terms, no additional calculation such as addition or deduction of certain sums from the contract price is required then the declared price may be equal to the goods' customs value.

Line 11. "Contract price":

- indicate the price paid or due to the seller (the contract price), the invoice or pro forma invoice price, in the contract currency in the first line;
- indicate the contract price in tenge in the second line;
- indicate the contract currency code and its exchange rate to tenge in the third line.

The exchange rate of tenge into foreign currency shall be the exchange rate of the National Bank of the Republic of Kazakhstan for the date of the registration (the exchange rate specified in CCD's line 23).

Section "B".

This section shows extra charges to the contract price in tenge, not included into the contract price specified in line 11, the expenses paid or subject to payment by the seller/buyer when moving goods across the customs border of the Republic of Kazakhstan, but which the seller does not include into the invoice.

This section also shows extra charges to be added to the contract price in accordance with part two of article 306 and part two of article 309 of the Customs Code of the Republic of Kazakhstan as supported with corresponding documents (contract, invoices, waybills, etc).

If CVD-1 is filled in for several items (goods) in one batch, then the expenses to be added to the customs value of each of the imported goods shall be distributed

among the items proportionally to their prices specified in line 1 of CVD's main and additional sheets.

All data in lines 12-16 shall be in tenge.

Line 12(a). It shows the cost of the sales commission and brokerage (except for the sales commission).

If the aforesaid expenses were paid in a foreign currency, provide details of the exchange to tenge in section "D".

Line 12(b). Shows the cost of containers, non-expendable packages and packing incurred by the seller/buyer, they are defined as integral part of the goods under the FEA PN.

In case the non-expendable package defined as integrated part of the goods is used several times for delivery of goods supplied by the same seller to the same buyer against the same contract, then its cost shall be proportionally distributed to the number of goods in each delivery. The customs body shall accept such a proportional distribution of the package cost (i.e. transport of the package cost to each delivery) provided that: 1) this is stipulated in the contract or any other document; 2) the package can be identified.

The package cost shall not include the separately paid cost of returning the package to the seller.

If the package cost was paid in a foreign currency, detail the exchange to tenge in section "D".

Line 13. It shall be filled in when the buyer provides the following goods and services to the seller for free or at a discount rate for the use in connection with the production or sale of the valuated goods:

- raw materials, materials, semi-manufactured goods and other components, which are part of the valuated goods;
- tools, die blocks, forms and similar items used in production of the valuated goods;
- materials used in production of the valuated goods (lubricants, fuel, etc);
- development and engineering works, design work, sketches and drawings made in Kazakhstan and necessary for production of the valuated goods.

The cost of such goods and services shall be specified in tenge. If they are paid in a foreign currency, detail the exchange rate to tenge in section "D".

The cost of raw materials, materials, semi-finished products and other components specified in the line is their price paid by the buyer when purchasing from third parties. If the buyer or an interrelated entity makes such products, then the cost of such products shall be cost of their production supported with accounting documents.

If the buyer provides the seller with second-hand products, their price shall be defined taking into account the deterioration in accordance with the buyer's accounting documents (if the buyer is a physical person the price shall be defined in accordance with an independent expert's assessment paper).

If the buyer has made any services to the seller in treatment or processing of raw materials, materials and components, their delivery, storage, etc, then the cost of such services (for the purpose of customs valuation) shall be taken at the price at which the buyer purchased them.

In the customs value computation the cost of engineering and development work, design, artwork, sketches and drawings made for the buyer for the seller shall be taken at the price at which they were purchased or produced by the buyer.

Also, the customs value of the valuated goods does not include the cost of engineering and development work, design work, sketches and drawings produced in the territory of the Republic of Kazakhstan.

Line 14. This line indicates the amount of license and other payments in tenge, defined as the fee for the use of the rights:

- for production of the goods crossing the customs border of the Republic of Kazakhstan (including trademarks, industrial designs, utility models, and know-how);
- for export sale of imported goods (including trademarks and industrial designs);
- for the use or resale of imported goods crossing the customs border of Kazakhstan (including patents, copyright literary, art or scientific works, including cinematographic products, production technologies, being integrated part of the imported product);

for exported goods this line indicates the following expenses if they have not been included in the contract price before: royalty and duties paid for obtaining of license connected with the valuated goods, payable directly or indirectly by the seller as a term of the sale of the valuated goods, if such royalty and duties had not been included into the price actually paid or payable.

The license payment and similar payments shall be added to the contract price and shown in line 9(a) only if such payments:

- pertain to the valuated goods crossing the customs border of the Republic of Kazakhstan;
- are the term of the sale and purchase contract made between the seller and the buyer.

At that, the license payments due to the seller or a third party for the benefit of the letter shall be taken into account. When the buyer has to pay the license payment to a third party, such payments shall be paid upon request of the seller or a person on its behalf.

The customs value shall not include the cost payments for the license for production of goods in Kazakhstan, issued by intellectual property rights holders. If the said expenses were incurred in a foreign currency, detail the exchange to tenge in section "D".

Line 15. This line takes into account part of direct or indirect income of the seller from any subsequent resale, transfer or use of the valuated goods in the territory of the Republic of Kazakhstan when importing, which shall be returned by the buyer to the seller in accordance with the contract terms; as well as the part of the income from the resale, transfer or use of the valuated goods beyond Kazakhstan after export, which shall go to the seller directly or indirectly.

In case when the part of such income, the amount of which is to be specified in this line, has not been defined at the moment of filling in the form, this line can be filled in when this amount will be defined. At that, before the amount due to return to the seller is defined, the goods may be used for use under article 319, 321 of the

Customs Code of the Republic of Kazakhstan, or the goods customs value shall be computed by methods 2-6 with filling in DV2 form in accordance with articles 306, 309, 310, 311, 312, 313, and 314 of the Customs Code of the Republic of Kazakhstan.

Example. If the contract provides for 20% of the buyer's profit to be returned to the seller, then include the amount of that part of the profit into the goods' customs

Line 16(b). This line shows the cost of loading, unloading, reloading and transshipment of goods in tenges, incurred before the place of crossing the customs border of the Republic of Kazakhstan.

Line 16(c). This line shows the cost of cargo insurance in tenges.

Line 17. This line shows the amount of extra charges specified in lines 12(a), 12(b), 13(a), 13(b), 13(c), 13(d), 14, 15, 16(a), 16(b), 16(c) in tenges.

Section "B". Deductibles from the sum specified in section "A", in tenges.

This section may contain the following sums to be deducted from the contract cost: actually incurred expenses on the delivery of the goods after crossing the customs border of the Republic of Kazakhstan from the place of import/export to the designation place, if such expenses are supported with documents (transportation invoices, estimates, etc).

All data in lines 18-21 shall be in tenges.

If the expenses were incurred in a foreign currency, show the exchange details in section "D" (or on the back page of the corresponding CVD-1 sheet), specifying the CVD lines from section "B", currency code and the exchange rate at the date of CCD registration.

Line 18. "The cost of equipment installation, assembly, adjusting or technical service after import/export".

The declarant can specify here the amount of expenses on the equipment installation, assembly, adjusting or technical service after the goods crossed the customs border of the Republic of Kazakhstan, provided that the contract stipulates such services and the invoice shows such sums as a separate item.

Line 19. "The cost of delivery to the designation place after import/export".

Here the declarant may specify the expenses on the delivery of goods after crossing the customs border of the Republic of Kazakhstan to the designation place so as to exclude such expenses from the contract when they are separate items in the invoice.

If the contract provides for such delivery terms as CIP, CPT, DDP, DDU, CIF (when the latter is misused for delivery of the goods to the designation place within the customs territory of the country: like in CIF Almaty, for instance), therefore the invoice includes the expenses on the delivery of the goods to the designation place and to deduct these expenses from the contract price or from the general amount of transportation costs and itemized accounting of the expenses on the delivery to the frontier and from the frontier to the designation place, it is necessary to show them separately in the invoice.

If there is no such separate accounting in the invoice, then the cost of transportation from the place of import/export to the designation place can be deducted from the general transportation cost only provided that the declarant submits to the customs body a strong evidence that the price "free-on-border" could be significantly lower than the price "free-on-designation place".

Line 20. This line shows the amount of customs duties, taxes and levies to be deducted from the paid or payable price (line 11) only if the contract provides for DDP and DEQ delivery terms.

Line 21. This line shows the total of the sums specified in lines 18-20.



Line 22(a). This line shows the declared customs value in tenges computed as follows: line 11 + line 17 – line 21.

Line 22(b). This line shows the customs value declared in line 22(a) in the contract currency. The conversion to the contract currency shall be made at the exchange rate specified in section "A". The result must be the same as the data shown in the CCD as the basis for the computation of the customs taxes and duties.

If no contract documentation specifies the type of the foreign currency, the data in line 22(b) shall be in US dollars.

Section "D".

When one or several items of the customs value (lines 12-20) were paid in a foreign currency, section "D" shows the item number, the amount of payment in the foreign currency, the currency code and exchange

Line 6. Mark with "X" the customs value calculation method used.

Line 7. This line shows a brief explanation of the reasons why all other methods are not applicable.

first. The quantitative discount may be taken into account only provided that the

Annex 1  
To Rules

for Filling In Customs Value Declarations as Approved by Ordinance #209 of 15  
May 2003 by the Chairman of the Agency of the Republic of Kazakhstan  
On Customs Control

Republic of Kazakhstan

Customs Value Declaration

Form CVD-1 method 1

1. Seller as of	N		Customs' Notes:
2 (a). Buyer as of	N		
2 (b). Declarant as of	N		
<p>Please, note!</p> <p>Under the laws of the Republic of Kazakhstan the declarant is accountable for all information specified in the form and the documents he or she submits to confirm the customs value. During the customs formalities arrangement the declarant must timely provide the customs body with additional information confirming the declared customs value.</p>		3. Delivery terms	
		4. Invoice number and date	
		5. Contract number and date	
6. Number and date of previous resolutions on lines 7-9 made by the customs body			
Mark the right option with X			
7 (a). Is there any interrelationship between the seller and the buyer in accordance with line 10?			
YES                  NO			
7 (b). Does the price depend on the interrelationship between the seller and the buyer?			
YES                  NO			

8 (a). Are there any restrictions for the buyer to the right to use or dispose of the valuated goods, except for the following cases:

- restrictions imposed by the law of the Republic of Kazakhstan;
- geographical restrictions of the region where the goods might be sold;
- restrictions that have no significant effect on the goods value?

YES                      NO

8 (b). Are there any terms pertaining to the price, whose effect on the price cannot be computed?

YES                      NO

Please, specify the details below, if you answered "YES" to 8(a) and 8(b).

9 (a). Are there any license or any other payments for the use of intellectual property objects, which the buyer has to pay to the seller directly or indirectly as a term for the purchase of the valuated goods?

YES                      NO

9 (b). Is there a provision stipulating that part of the profit from any subsequent sale, transfer or use of the valuated goods be returned to the seller?

YES                      NO

Please, specify the details if you answered "YES" to 9(a) and 9(b), and specify the amount in lines 14 and 15.

<p>10. Parties are interrelated in the following cases:</p> <ul style="list-style-type: none"> <li>- one of the parties or its employer is an employer of the other party;</li> <li>- the parties are co-owners of the company;</li> <li>- the parties are bound with employment relationships;</li> <li>- one of the parties has controls 5% of the voting shares or more the chartered capital of every party;</li> <li>- both parties are under direct or indirect control of a third party;</li> <li>- the parties have a joint direct or indirect control over a third party;</li> <li>- one of the parties directly or indirectly controls the other party;</li> <li>- the parties or their employers are close relatives.</li> </ul>	<p>10 (a). The number of additional sheets enclosed to CVD-1 form</p> <p>10 (b). Place and date          Organization          Person in charge          Telephone number          Declarant's seal and signature          Declaration N</p>
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CVD-1. For Customs' Notes	Product number	Product number	Product number
	Product code	Product code	Product code

A. Calculation basis	11. Contract price in the contract currency (the price actually paid or payable to the seller)			

22. The declared customs value:

a) in tenge

b) in contract currency

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9. Number of additional sheets enclosed to CVD-2 form	10 (b). The officer who signed the declaration:
10 (a). Signature _____ Date _____ 200____	_____
Seal _____	Full name: _____
Place: _____	_____
	Telephone number: _____
	_____

CVD-2 Form, Sheet \_\_\_\_\_

For Customs' Notes		Product number	Product number	Product number
		Product code	Product code	Product code
Customs value calculation				
A. Calculation basis	11 (a). Contract price for identical or homogenous goods: a) in the contract currency b) in tenges (for methods 2, 3, 6)			
	11 (b). Unit price, at which the valuated identical or homogenous goods were sold in the biggest batch in the territory of Kazakhstan to a buyer who is not interrelated with the seller (in tenges) (for methods 4 and 5)			
	11 (c). The value of the imported goods computed by addition of the components cost (in tenges) (for methods 5 and 6)			
B. Price corrections (+, -), in tenges	12. Quantity correction (+, -)			
	13. Commercial level correction (+, -)			
	14. Total correction sum (+, -)			
	15. Contract price with corrections (line 11 (a) + line 14)			
C. Other additional sums (+) and deductions (-)	16. The transportation cost (+)			
	17. The cost of loading, unloading, reloading (+)			
	18. The cost of insurance (+)			
	19. Commission and brokerage (+)			
	20. Profit, commission and sale extra charge when selling in domestic market (-)			



	21. The cost of additional processing or treatment of the imported goods (-)			
	22. Customs duties, taxes, fees and other local payments when importing (-)			
	23. Other home market-related expenses and payments (-)			
	24. Total for "C"			
25. The declared customs value (line 15 + line 24):				
c) in tenge				
d) in contract currency				

Declarant's signature and seal.