



## TRANSACTION VALUE

The transaction value of imported merchandise is the price actually paid or payable for the merchandise when sold for exportation to the United States, plus amounts for the following items if they are not included in the price:

- The packing costs incurred by the buyer,
- Any selling commission incurred by the buyer,
- The value of any assist,
- Any royalty or license fee that the buyer is required to pay as a condition of the sale,
- The proceeds, accruing to the seller, of any subsequent resale, disposal, or use of the imported merchandise.

The price actually paid or payable for the imported merchandise is the total payment, **excluding** international freight, insurance, and other c.i.f. charges, that the buyer makes to the seller. This payment may be direct or indirect. Some examples of an indirect payment are when the buyer settles all or part of a debt owed by the seller, or when the seller reduces the price on a current importation to settle a debt he owes the buyer. Such indirect payments are part of the transaction value.

### Exclusions

The amounts to be excluded from transaction value are as follows:

- The cost, charges, or expenses incurred for transportation, insurance, and related services incident to the international shipment of the goods from the country of exportation to the place of importation in the United States. Any reasonable cost or charges incurred for:
  1. Constructing, erecting, assembling, maintaining, or providing technical assistance with respect to the goods after importation into the United States
  2. Transporting the goods after importation.
  3. The customs duties and other federal taxes, including any federal excise tax, for which sellers in the United States are ordinarily liable.

**NOTE:** Foreign inland freight and related charges along with any excluded cost must be identified separately.