



Kenya Revenue Authority

**INSTRUCTION MANUAL**

**DECLARATION OF CUSTOMS VALUE**

**(FORM C52)**

## A INTRODUCTION.

The value of imported goods for Customs purposes shall be the price actually paid or payable (transaction value) for the goods when sold for export to Kenya. In the absence of any association between the parties concerned and of any fraudulent intent, there is no reason why an exporter abroad should charge less than his goods will fetch. This is the ideal transaction from the valuation point of view and the price paid or payable should represent the transaction value and is therefore acceptable as the value for Customs. Where the importer and exporter are related in the sense of Customs Appendix C or other considerations in respect of value, values have to be declared as envisaged by Section 127 of the Customs Act in which case the price paid or payable may not conform to the statutory definition of value. Thus the price paid or payable has to be adjusted in accordance with specific rules of the Agreement on Customs valuation.

Regulation 264 of the Principal Regulations of Customs and Excise require an importer to make a declaration of value at the time of entry of goods and to give such particulars relating to the commercial transaction as may be necessary for the correct valuation of imported goods. Any import Entry for goods free or exempt from duty, liable to ad valorem rates of duty or liable to specific duty must be supported by a declaration on Form C52 duly signed by the importer or an authorized person. This serves as a commitment by the importer on the legitimacy and authenticity of the importation documents when presented to Customs for processing and binds him fully to the whole process.

It is possible that due to the timelag between the completion of the declaration of value, Form C52, and the corresponding import Entry and due to rounding errors, the Customs Value on the two declarations will **not** necessarily be **exactly** the same. To the contrary, they will be at variance quite often. However, such variances should be within acceptable limits as will be defined by the Department from time to time.

Where evidence of value is incomplete i.e. if all the facts about the transaction are not declared, then the importer is advised to enter the goods provisionally upon which a deposit in form of hard cash or a bank guarantee is paid. On determination of value, the deposit is accordingly adjusted and a perfect entry passed whereby additional duty is paid or a refund is claimed.

Form C52 provides for certification of commercial invoices, sale contracts/Agreement, letters of credit or any other documents against which payment was made, in support of a declaration on a perfect Import

Entry. It cannot be accepted in support of a Provisional Import Entry, Approximate Value Warehousing Entry or Prior Release of Perishables Entry and other such goods under CPC 402. When a perfecting Entry is lodged it must be supported by a Form C52 which should normally be attached to a complete set of commercial invoices, sale contract, letters of credit, etc. irrespective of if the same had been lodged in support of the initial provisional declaration. Form C52 is supposed to be completed as fully and precisely as possible and is processed in Single copies for every Import Entry lodged. It is applicable for the following Customs procedure codes (CPCs):

**C400, C403, C430, C460, C461, C462, C470, C490, C491, W700, S610, S611, S620, and S621**

A specimen copy of the Declaration of Customs Value Form, Form C52, is attached.

Each box on the Declarations of Customs Value Form is identified by either a numeric, or alphabetical character. The following detailed instructions state what type of information is required to be entered in each box in plain language or in coded form. The instructions also indicate when each box has to be completed by means of an alphabetical character or otherwise and shows whether completion of a box is mandatory (M), optional (O) or conditional (C) where:

- (M) - Mandatory completion failing which the entry will be rejected on Presentation.
- (C) - Conditional completion depending on the circumstances of the declaration.
- (O) - Optional completion, boxes may be left blank or completed with information appropriate to the declaration of value.

The completed Declaration of Customs Value form must be presented as one of the supporting documents to the relevant Single Entry Document (of the above CPCs) to the Customs. Only one copy of the C52 shall be required for each Declaration.

**ATTENTION:**

The attention of importers/declarants is drawn to the following:

## **IMPORTANT NOTES**

1. By signing and lodging the Declaration of Value (Form C52), the declarant accepts responsibility for the accuracy and completeness of the particulars given on the form and the authenticity of any document produced in support thereof.
2. The declarant also undertakes that he/she will submit additional information or documents required to determine the Customs Value of the goods.
3. Any misdeclaration on the Declaration of Value (Form C52) will constitute an offence as stipulated under Section 127 and Section 187 of the Customs & Excise Act.
4. Form C52 must **never** be declared and signed by a Clearing Agent.

**B General Information on how to fill the Declarations of Customs Value Document, Form C52**

**Box 1 Name & Address of the Seller/Exporter (M)**

Enter the full names and address of the overseas supplier/vendor/consignor or manufacturer.

**Box 2(a) Name and Address of Buyer/Import (M)**

Enter the full names, address and the correct Personal Identification Number (PIN) of the local importer (consignee).

**Box 2(b) Name and Title of Declarant (M)**

Enter the full names and official designation of the person making the declaration. The declarant must be:

1. The actual importer, if an individual
2. One of the partners in the case of a private company or firm (partnership)
3. A director or company secretary in the case of any other company.
4. A whole time employee duly authorized by one of the persons mentioned in 1, 2 and 3 above vide Power of Attorney.
5. Managing agent on behalf of the company.

**Note:** Form C52 must never be declared and signed by a Clearing Agent.

**Box 3 Terms of Delivery (M)**

Enter the code for the terms of delivery. A list of terms of delivery codes may be found at Appendix L of the SED Instruction Manual.

**Box 4 Number and Date of Invoice (M)**

Enter the issuance date(s) and number(s) of the relevant commercial invoice(s) for the transaction.

**Box 5 Number and Date of Contract (O)**

If the transaction is executed vide a sale agreement, then enter the Number(s) and date(s) of the sale contract(s) against which payment will be made. This sale contract forms the basis of the transaction value.

**Box 6            Number and Date of any Previous Customs Decision concerning Boxes 7 to 9 (O).**

If there have been decisions made by Customs as regards previous transactions by an importer in respect of boxes 7 to 9 of Form C52, then quote the reference number(s) and date(s) of the document(s) which conveyed such a decision.

**Box 7            Relation Between Buyer and Seller**

(a) If the seller and buyer are 'related' in the sense of appendix C of the Customs & Excise Act then indicate in the relevant box by marking 'X' in the 'YES' box **(M)**.

If the 'related' indicator above is 'YES', then enter the relationship code in the relevant box **(C)**. Relationship codes are given in the **Appendix** of this document.

(b) If as a result of the relationship the buyer gets a reduced price on the imported goods, mark 'X' on the 'YES' part of the appropriate box otherwise mark on the 'NO' part **(M)**.

(c) If the trade discount shown on the invoice is genuine and the rate is reasonable with regard to the practice in the particular trade concerned, including a demonstration that an unrelated buyer paid a similar price at the same commercial level, then mark 'X' on the 'YES' part of the box. If the trade discount is higher than normal, then the transaction value does not conform to the definition of value under 7<sup>th</sup> Schedule of the Act. In such a case, mark on the 'NO' part **(M)**. If 'YES', then give details in free-text format in the space provided **(C)**. The free-text narrative is conditional on whether the answer to the above is 'YES'.

**Box 8            Restrictions of Disposition or Use**

(a) If there are restrictions as concerns the disposal of goods other than the ones outlined in this box, then mark accordingly **(M)**.

(b) Indicate whether the price paid or payable is pegged to a certain condition e.g. if there is a special price for a certain quantity of a commodity on condition that that commodity is bought with another item **(M)**. If 'YES', then briefly outline the condition in the relevant part of the box **(C)**. If the condition can be quantified valuwewise, then mark appropriately **(M)**. The value of the condition should be entered in Box 10(b).

## **Box 9 Royalties or Licence Fees**

- (a) If there is a fee or compensation paid to the owner of patent or a copyright for the use of it or the right to act under it for each article manufactured, used, sold etc or in the form of a percentage based on output to the owner of an article (e.g. machine by the person hiring it) without which a commodity cannot legitimately be imported, sold, leased etc, then mark in the appropriate box **(M)** and include this in the transaction value (box 14).
- (b) If goods have been supplied to an importer on condition that the importer remits, directly or indirectly to the seller, part of the proceeds upon subsequent resale, disposal or use of the subject goods, then answer in the affirmative or the converse applies if otherwise **(M)**. If 'YES' then specify the conditions in the relevant part of the box **(C)**. The amount to be remitted is to be entered in box No.15.

This will also apply to goods imported on consignment i.e. goods unsold at the time of importation and consigned to the importer for sale on behalf of the foreign supplier.

## **DECLARATION OF VALUE BY THE IMPORTER**

This part of the Form C52 must be declared in the **currency of transaction**. However, 'Totals' must be declared in the currency of invoice. Where there is more than one invoice then the 'main invoice' shall be understood to be the 'invoice'. That is, if the individual line items (transactions) are in different currencies, then conversions to the 'currency of invoice' should be done and accumulated in the background, and declaring 'Totals' in the appropriate boxes.

The relevant currency codes shall be indicated against the respective amounts being declared.

### **Section A: Basis of Calculation**

#### **Box 10(a) Net Prices of Invoice (M)**

Enter the amount indicated in the invoice (invoice value or price actually paid or payable) indicating the currently code against it. A full list of currently codes may be found at appendix M of the SED Instruction Manual.

#### **Box 10(b) Indirect Payments (C)**

If the value of a condition(s) which was subjected to the goods upon importation can be quantified in Box 8(b), then enter the amount in this box.

**Box 11 Total A (M)**

Enter the sum of 10(a) and (10(b) in the currency of invoice.

**Section B: Adjustments to the Price Paid or Payable (7<sup>th</sup> Schedule, Appendix A of the Act)**

**Box 12 Costs Incurred by the Buyer**

**Box 12 (a) Commissions (O)**

If there is selling and/or buying commission in the transaction, please indicate by entering 'X' in the appropriate box(es). Enter the amount paid as selling commission to a selling agent. A selling agent takes orders from Customers in the country of import on behalf of a seller in the country of export and imports to fulfil those orders. Buying commission (i.e. fees paid or payable by an importer to his agent for the services of representing the importer in the purchase of the goods being appraised) **should not** be entered in this box.

**Box 12 (b) Brokerage (O)**

This applies to goods imported by a broker for sale later from stock held in the importing country on behalf of the supplier in the exporting country. Enter the amount paid to a broker in respect of the transaction.

**Box 12 (c) Consists for Containers and Packing (O)**

Containers and other packing materials are treated as part of the goods themselves for Customs purposes. Enter the total amount of the value of any packing material, cost of containers, and the cost of packing in this box.

**Box 13 Assists (a, b, c, d) (O)**

Enter the cost of goods and services supplied by the importer free of charge or at a reduced price for use in connection with the manufacture and sale for export of the imported articles in each appropriate box, apportioned as appropriate.

**Box 14 Royalties and License Fees (C)**

Enter the amount of royalties and/or license fees referred to in box 9(a) above.

**Box 15 Proceeds of any Subsequent Resale, Disposal or Use Accruing to the Seller (C)**

Enter the amount to be remitted to the seller referred to in box 9(b) above.

**Box 16 Costs of Delivery in Kenya**

**Box 16(a) Transport/Freight (O)**

Enter the amount of Freight paid as indicated on the bill of lading, Airwaybill or any other freight note ordinarily used to support freight charges from the country of export to the country of import.

**Box 16(b) Loading and Handling Charges (O)**

Enter the total amount paid in respect of stuffing of the cargo, its delivery to the port of export and of handling charges by the shipping line, airline or otherwise.

**Box 16(c) Insurance (O)**

Enter the amount of insurance charges relative to this consignment.

**Box 17 TOTAL B (M)**

Enter the sum of boxes 13 (a, b, c, d), 14, 15 and 16 in the currency of invoice.

**Section C: Post Landing Expenses**

The figures to be entered in this section (Boxes 18 to 22) only reflect values/amounts to the extent that they are included in Section A above such that whichever item is not included in Section A will be blank. These fields are, therefore, not computational. They reflect the values/amounts estimated from the source of the consignment as payable upon arrival in Kenya and are included in the cost of the item(s). This mainly applies to imports from headquarter offices to their local branch offices. Of course there are high chances that the actual amounts payable will be different. Indeed, it is for this reason that these amounts have to be deducted from the invoice value to arrive at Customs value.

**Box 18 Costs of Transport After Arrival in Kenya (O)**

Enter the amount paid as delivery costs for the goods within the country of import, i.e. in Kenya, in the currency of transaction.

**Box 19 Charges for Construction, Maintenance and Other Related Expenses After Importation (O)**

If technical assistance is sourced from the country of importation for the purpose of construction, maintenance etc (of machinery or plant for instance) then enter the total cost for such an undertaking. The cost of installation should **not** be included.

**Box 20 Other Charges (O)**

If there are incidental charges levied by the supplier or intermediary to the importer e.g. cost of telegrams, cable charges, e-mail charges or any other charges, then specify in the relevant part of the box and enter the amount involved.

**Box 21 Customs Duty and Taxes in Kenya (O)**

Enter the total amount of duties, taxes and other charges i.e. the amount payable or the total BIF.

**Box 22 Total C (M)**

Enter the sum of Boxes 18, 19, 20, and 21 in currency of invoice.

**Box 23 Total Customs Value in Currency of Invoice and Adjustments (M)**

Enter either the sum (in currency of invoice) of Boxes 11, 17 and 22 or the sum of Boxes 11 and 17 less the amount in Box 22 if it is included in box 11.

**Box 24 Signature of Authorized Person (M)**

The person making the declaration of value (the person mentioned in box 2(b)) must do the following:

- i) Append his/her signature in the relevant part of this box
- ii) Enter the date and place where the declaration was made, and
- iii) Endorse the declaration with an official stamp or company seal.

## APPENDIX

### BUYER AND SELLER RELATIONSHIPS

The buyer/seller relationship codes to apply are indicated against the applicable type of relationship below.

Persons (natural or legal) are related if:

Code	Relationship
1	They are officers or directors of one another's businesses.
2	They are legally recognized partners in business.
3	They are employer and employee.
4	Any person who directly or indirectly owns, controls or holds 5% or more of the outstanding voting stock or shares of both of them.
5	One of them directly or indirectly controls the other.
6	Both of them are directly or indirectly controlled by a third person.
7	Together they directly or indirectly control a third person.
8	They are members of the same family.

If one acts as the seller's agent, distributor or concessionaire then they are related **only if** one of the above categories also applies.