

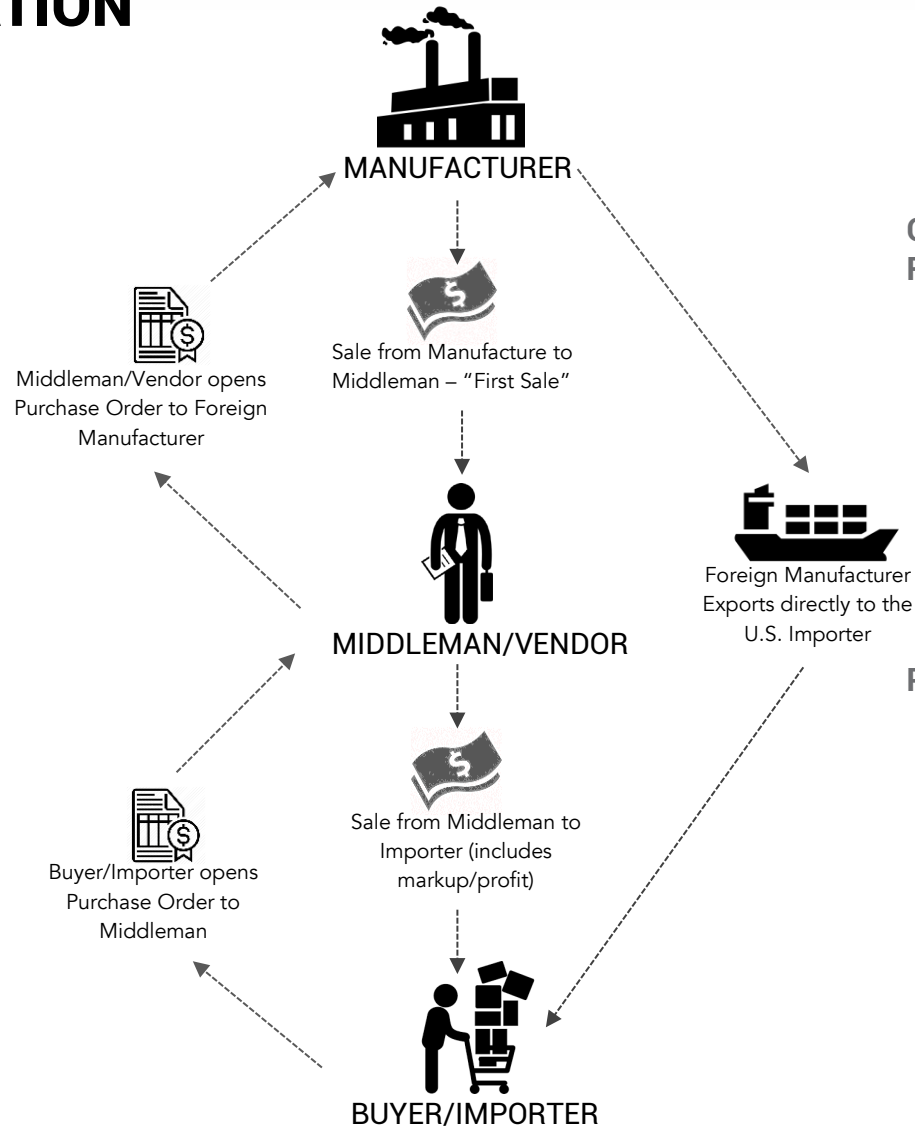
# FIRST SALE VALUATION

## CUSTOMS VALUATION REGULATIONS

- The transaction value of imported merchandise is the **price actually paid or payable** for the merchandise when **sold for exportation** to the United States
- Nissho Iwai v. United States
- T.D. 96-87, "Determining Transaction Value in Multi-tiered Transactions"

## WHY USE FIRST SALE VALUATION?

- Reduce Customs Duty
- Reduce Landed Cost
- Suppliers do not have to lower prices
- Control of costs and



## QUALIFICATION REQUIREMENTS

- Transaction is a Bona Fide Sale
- Multi-tiered Transaction
- Transaction is at Arm's length
- Sold for Export to the U.S.

## PROGRAM MANAGEMENT

- Engage Trade Consultant to conduct feasibility analysis
- Clear documentation trail
- From factory to Importer
- Manage Broker Entry Process
- Scheduled audit/reviews
- Transaction is a Bona Fide Sale
- Multi-tiered Transaction
- Transaction is at Arm's length
- Sold for Export to the U.S.