



# St Kitts ~ Nevis Customs & Excise Department

*"To Protect and Collect"*

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## **GOODS REPAIRED/ REPLACED UNDER WARRANTY OR NOT**

This policy is to outline the treatment of warranty charges in determining the value for duty of imported goods.

### **Legislation**

The application of warranty is provided for under the second schedule, Sect. 3 and 8 of the Customs Act, No. 19 of 2014 of the laws of Saint Christopher (St. Kitts) and Nevis.

### **Guidelines and General Information**

#### **1. Definition**

- a) A warranty is a form of guarantee, provided to the buyer, on goods which covers costs of correcting defects (parts and labor) or replacement subject to certain conditions being met by the warranty holder. If those conditions are not met, warranty can be voided. Warranty covers hidden defects in the goods that is defects which should not exist and which prevent the use of the goods or reduce their usefulness.
- b) The term "repair" means any adjustment of a good to restore it to its original operating condition and includes minor changes necessary to complete the restoration including replacing parts.
- c) The term "replacement goods" means identical or similar goods given by the supplier in the place of defective goods under warranty.
- d) The "repair cost" shall be construed to include the labour cost plus the cost of any replacement parts.

### **Application of warranty on imported Goods**

2. The cost of the warranty will be included in the price paid or payable (the transaction value) of imported goods once it can be substantiated that a warranty was given

### **Goods being Re-imported under Warranty**

3. Goods may be re-imported after having been repaired or replaced under warranty. Upon re- importation, the importer must reference the export entry/ document and provide evidence that the goods were indeed repaired/ replaced under warranty. Proof of warranty would include the warranty contract, the terms and time period of the warranty, invoices from the supplier showing that the goods were repaired /replaced. In such case no taxes will be applicable.

### **Goods being Re-imported not under warranty**

4. All taxes will be applied on the cost of the repairs for goods being re-imported not under Warranty or where the warranty cannot be substantiated.
5. In the case where goods are being replaced, adjustment will be made for the application or not of taxes in relation to any increase or decrease in the value of the goods supplied as replacement.

### **Value for Goods being repaired/ replaced on re-importation**

6. The Customs value of goods repaired/replaced on re-importation shall reflect the full value of the goods in the condition as and at the time they are imported. For example, if the exported goods is replaced with a new item, the Customs value would reflect the value of the new item. Duties and taxes, however, would be collected as outlined above.
7. If there is a case where a customer has paid warranty and that payment was not included as part of the Transaction Value, the Customs Department may accept the exchange of goods under warranty/repair of goods under warranty.

**Additional Information**

For more information please contact us in St. Kitts 1(869) 466-7227 ext. 3243/3239/3225 or 1(869) 467-1077; Nevis 1(869) 469-0704/469-5521 ext. 2066. Email us at [enquirypoint@skncustoms.com](mailto:enquirypoint@skncustoms.com) or [customerservice@skncustoms.com](mailto:customerservice@skncustoms.com)  
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