



# St Kitts ~ Nevis Customs & Excise Department

*"To Protect and Collect"*

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## TRANSPORTATION AND ASSOCIATED COSTS

This policy explains how transportation and associated costs are to be treated under the valuation provisions of Second Schedule of the Customs Act.

### Legislation

Paragraph 8 of the Second Schedule of the Customs Act, No. 19 of 2014.

<http://skncustoms.com/Customs%20Act%202014/Schedules.pdf>

### Guidelines and General Information

1. The Second Schedule of the *Customs Act* requires that the transportation costs of the goods be determined to properly apply all valuation methods. This policy defines activities considered to be transportation costs. The treatment of transportation costs, under all methods of valuation, requires that all such costs up to the port or place of importation be included in the customs value.

### **Cost of Transportation**

2. This means freight charges directly associated with the movement of the goods, such as the cost of moving the goods by truck, aircraft, train, ship, or any other means of transportation.

### **Cost of Loading, Unloading, and Handling**

3. This means expenses that have to do with moving the goods onto or off of a truck, aircraft, train, ship or other means of transportation. It includes the filling and emptying of reusable commercial freight containers and the costs for lighterage, which is the transfer of goods directly from one ship to another.

## **Insurance Costs**

4. This means the cost of insurance covering loss or damage to the goods while they are in transit.

## **Other Charges and Expenses**

5. This includes other costs associated with the transportation of the goods. Some of these costs are foreign customs brokers' fees, **freight forwarders' fees**, export documentation fees, inspection charges, weight and measurement certificates, warehousing fees, refrigeration charges and fees for the use of temperature recording devices. Demurrage charges, which are charges for failure to load or unload a truck or other carrier within a certain time, are also included. Gassing or fumigation fees are also a transportation cost.

## **Packing Costs**

6. In order to ensure that packing costs are addressed under the relevant provision of the Act, the importer must confirm if costs for packing are transportation-related. The cost of regular packing which the seller provides to market or to protect the goods is **not** a transportation cost and is always included in the price paid or payable for the goods. If charged separately, they must be added.
7. Additional charges for packing may be required to put the goods in a condition ready for shipment by ship or air. This extra packing is over and above regular packing and is applied to the goods at the loading platform or other place of shipment. This extra packing is a transportation-related expense and considered to be another cost associated with the transportation of the goods.
8. For example, a bicycle retailer in Basseterre buys 100 bicycles from a supplier in Paris, France. The supplier boxes the bicycles and sends them off by truck to an ocean port. At the ocean port, the boxes are wrapped in plastic /bubble wrap to protect them during the ocean trip. As the plastic wrapping is a requirement of the ocean transportation, it is considered to be an associated cost of transportation. The boxes that the supplier uses to package the bicycles would **not** be considered an associated cost of transportation. The supplier would include this costs in the price paid or payable for the goods. If charged separately, it must be added.
9. The list of transportation charges and expenses above is not exhaustive. If costs are incurred that are believed to be transportation-related and which are not listed above, contact CED to obtain advice on the proper treatment of these costs.

## **Transportation Rebates and Discounts**

10. A transportation company may offer rebates or discounts on their transportation rates, for example, when engaged to transport many shipments over a period of time. As an incentive, the transportation company may offer rebates or discounts on their published

rates. The timing of the rebate, either before or after importation, has no bearing on the treatment of transportation costs in a calculation of customs value. The actual amount of the transportation costs to be included in the calculation must be identified.

### **Actual Transportation Costs**

11. The Customs Department may require a confirmation of the amount of a transportation or associated cost and documentation must be submitted which supports the actual amount of the cost incurred. Estimates of the transportation costs are **not** acceptable.

### **Transportation Costs and the Customs Value**

12. Transportation costs to the port or place of importation in St Kitts- Nevis must be included in the customs value.
13. Failure to declare all transportation costs may result in the application of penalties.

### **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 [enquiry@skncustoms.com](mailto:enquiry@skncustoms.com) or [customerservice@skncustoms.com](mailto:customerservice@skncustoms.com)  
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