



St Kitts ~ Nevis Customs & Excise Department

"To Protect and Collect"

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FINANCE CHARGES FOR IMPORTED GOODS

This policy outlines and explains the treatment to be accorded to charges (interest payments) for financing arrangement entered into by the buyer in relation to the purchase of imported goods.

Legislation

See the provisions of paragraph 9 of the Second Schedule to the Customs Act, No. 19 of 2014.

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

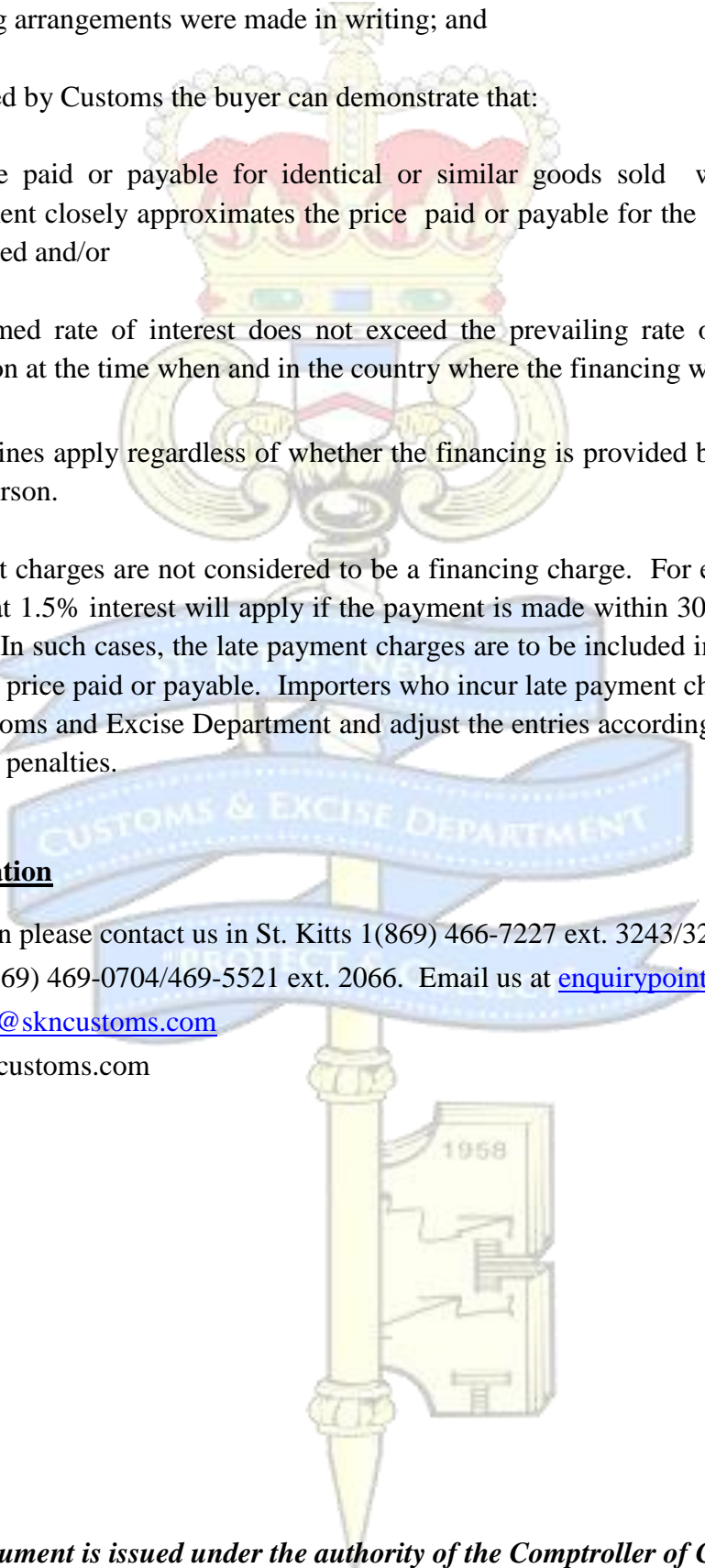
Guidelines and General Information

1. Definition

Finance Cost/Charges – in relation to goods in a sale, is any interest payable under a written contract/agreement, under which the purchaser is permitted to delay the payment of the price of goods purchased, in return for payment of that interest. This is an arrangement entered into between the buyer and the seller, a bank or another person.

Application of Financing Charges

2. Charges for interest under a financing arrangement entered into by a buyer and relating to the purchase of imported goods shall not be regarded as part of the Customs Value provided that:
 - (a) The charges are distinguished from the price actually paid or payable for the goods;

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- (b) The financing arrangements were made in writing; and
- (c) When required by Customs the buyer can demonstrate that:
- (i) The price paid or payable for identical or similar goods sold without a financing arrangement closely approximates the price paid or payable for the goods being valued or imported and/or
 - (ii) The claimed rate of interest does not exceed the prevailing rate of interest for such transaction at the time when and in the country where the financing was provided.
3. These guidelines apply regardless of whether the financing is provided by the seller, a bank or another person.
4. Late payment charges are not considered to be a financing charge. For example, an invoice may state that 1.5% interest will apply if the payment is made within 30 days of the date of the invoice. In such cases, the late payment charges are to be included in the customs value as part of the price paid or payable. Importers who incur late payment charges should report these to Customs and Excise Department and adjust the entries accordingly. Failure to do so may result in 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 or customerservice@skncustoms.com
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