



St Kitts ~ Nevis Customs & Excise Department

"To Protect and Collect"

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WARRANTY PAYMENTS

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

Guidelines and General Information

Definition

1. Warranty is a form of guarantee on goods, which covers costs of correcting defects (parts and labour) 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 are defective; defects which should not exist and which prevent the use of the goods or reduce their usefulness.

Basically two situations arise:

2. The seller directly or indirectly bears the cost and undertakes the risk of Warranty, the provision of which is reflected in the price for the goods
3. The buyer directly or indirectly bears the cost and undertakes the risk of Warranty and the price for the goods takes this into account.

Warranty undertaken by the Seller

4. When the seller provides a warranty to a customer, the seller will take this into account when pricing the goods. Any extra cost attributable to the warranty will be part of the price and will be paid as a condition of the sale. No deduction is allowed, the cost of the warranty is part of the transaction value even if it is separate from the price actually paid or payable for the goods.

5. Where the seller imposes warranty on the buyer, the seller may choose to invoice the warranty separate from the goods. In such a case, the warranty cost nevertheless remains a condition of the sale for export and is considered part of the price actually paid or payable that is, the total payment.

Warranty undertaken by the buyer

6. There may be cases where the buyer may decide to provide warranty service on his/her own account, in a subsequent resale of the goods in St. Kitts and Nevis. In these circumstances, any payment or other costs incurred by the buyer for warranty are not part of the price actually paid or payable, as long as they are not remitted to the seller.

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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