

5. For the purposes of this Article, the transaction value of identical imported goods means a customs value previous determined under Article 3, adjusted as provided for in paragraphs 1(b) and 2 of this Article.

## ARTICLE 5

1.
  - a. The customs value of imported goods determined under this Article, shall be the transaction value of similar goods sold for export to Oman and exported at or about the same time as the goods being valued
  - b. In applying this Article, the transaction value of similar goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the customs value. Where no such sale is found, the transaction value of similar goods sold at a different commercial level and /or in different quantities, adjusted to take account of differences attributable to commercial level and/or to quantity, shall be used, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustment, whether the adjustment leads to an increase or a decrease in the value.
2. Where the costs and charges referred to in Article 8(1)(e) are included in the transaction value, the adjustment shall be made to take account of significant differences in such costs and charges between the imported goods and the similar goods in question arising from differences in distances and modes of transport
3. If, in applying this Article, more than one transaction value of similar goods is found, the lowest such value shall be used to determine the customs value of the imported goods.
4. In applying this Article, a transaction value for goods produced by a different person shall be taken in to account only when no transaction value can be found under paragraph 1 for similar goods produced by the same person as the goods being valued

5. For the purposes of this Article, the transaction value of similar imported goods means a customs value previously determined under article 3, adjusted as provided for in paragraphs 1(b) and 2 of this Article.

## ARTICLE 6

1. a. If the imported goods or identical or similar imported goods are sold in Oman in the condition as imported, the customs value of imported goods, determined under this Article, shall be based on the unit price at which the imported goods or identical or similar imported goods are sold in the greatest aggregate quantity, at or about the time of the importation of the goods being valued, to persons who are not related to the persons from whom they buy such goods, subject to deductions for the following.
- i. either the commissions usually paid or agreed to be paid or the additions usually made for profit and general expenses (including the direct and indirect costs of marketing the goods in question) in connection with the sales in Oman of imported goods of the same class or kind,
  - ii. the usual costs of transport and insurance and associated costs incurred within Oman; and
  - iii. the customs duties and other taxes payable in Oman by reason of the importation or sale of the goods.
- b. If neither the imported goods nor identical nor similar imported goods are sold at or about the time of importation of the goods being valued, the customs value of imported goods determined under this Article shall, subject otherwise to the provisions of paragraph 1(a), be based on the unit price at which the imported goods or identical or similar imported goods are sold in Oman in the condition as imported at the earliest date after the importation of goods being valued.

2. If neither the imported goods nor identical nor similar imported goods are sold in Oman in the condition as imported, then, if the buyer so request, the customs value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons in Oman who are not related to the persons from whom they buy such goods, due allowance being made for the value added by such processing and the deductions provided for in paragraph 1(a)
3. In this Article, the unit price at which imported goods are sold in the greatest aggregate quantity is the price at which the greatest number of units is sold in sales to persons who are not related to the persons from whom they buy such goods at the first commercial level after importation at which such sales take place.
4. Any sale in Oman to a person who supplies directly or indirectly free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods any of the elements specified in Article (1)(b), should not be taken in to account in establishing the unit price for the purposes of this Article.
5. For the purposes of paragraph 1(b), the earliest date shall be the date by which sales of the imported goods or of identical or similar imported goods are made in sufficient quantity to establish the unit price

## ARTICLE 7

1. The customs value of imported goods determined under this Article shall be based on a computed value. Computed value shall consist of the sum of:
  - a. the cost or value of materials and fabrication or other processing employed in producing the imported goods;
  - b. an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the Country of exportation for export to Oman

- c. The cost or value of the items referred to in Article 8(1)(e).
2. The Customs administration may not require or compel any person not resident in Oman to produce for examination, or to allow access to any account or other record for the purposes of determining a computed value. However, information supplied by the producer of the goods for the purposes of determining the customs value under this Article may be verified in another country by the Customs administration with the agreement of the producer and provided that the administration gives sufficient advance notice to the government of the country in question and the latter does not object to the investigation.
3. The cost or value of materials and fabrication referred to in paragraph 1(a) above shall include the cost of elements specified in Article 8(1)(a)(ii) and (iii). It shall also include the value, duly apportioned, of any element specified in Article 8(1)(b) which has been supplied directly or indirectly by the buyer for use in connection with the production of the imported goods.
- The value of the elements specified in Article 8(1)(b)(iv) which are undertaken in Oman shall be included only to the extent that such elements are charged to the producer.
4. Where information other than that supplied by or on behalf of the producer is used for the purposes of determining a computed value, the Customs administration shall inform the buyer, if the latter so requests, of the source of such information, the data used and the calculations based on such data, subject to Article 10.
5. The 'general expenses' referred to in paragraph 1(b), above, cover the direct and indirect costs of producing and selling the goods for export which are not included under paragraph 1(a).

## ARTICLE 8

1. In determining the customs value under Article 3, there shall be added to the price actually paid or payable for the imported goods:

- a. the following, to the extent that they are incurred by the buyer but are not included in the price actually paid or payable for the goods:
  - i. commission and brokerage, except buying commissions;
  - ii. the cost of packaging which is treated as being one for customs purposes with the goods in question;
  - iii. the cost of packing, whether for labour or other associated costs
- b. the value, appointed as appropriate, of the following goods and services where supplied directly or indirectly by the buyer free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods, to the extent that such value has not been included in the price actually paid or payable:
  - i. materials, components, parts and similar items incorporated in the imported goods;
  - ii. tools, dies, moulds and similar items used in the production of the imported goods;
  - iii. materials consumed in the production of the imported goods,
  - iv. engineering, development, art work, design work, and plans and sketches undertaken elsewhere than in Oman and necessary for the production of the imported goods,
- c. royalties and licence fees related to the goods being valued that the buyer must pay, either directly or indirectly, as a condition of sale of the goods being valued, to the extent that such royalties and fees are not included in the price actually paid or payable.
- d. the value of any part of the proceeds of any subsequent resale, disposal or use of the imported goods that accrues directly or indirectly to the seller,

- e.
  - i. the cost of transport and insurance of the imported goods; and
  - ii. loading and handling charges associated with the transport of the imported goods to the place of introduction of the goods in to the customs territory of Oman.
- 2. Additions to the price actually paid or payable shall be made under this Article only on the basis of objective and quantifiable data
- 3. No additions shall be made to the price actually paid or payable in determining the customs value except as provided in this Article.
- 4. In this Article, the term 'buying commissions' means fees paid by an importer to his agent for the service of representing him in the purchase of the goods being valued.
- 5. Notwithstanding paragraph 1(c) of this Article.
  - a. Charges for the right to reproduce the imported goods in Oman shall not be added to the price actually paid or payable for the imported goods in determining the customs value; and
  - b. Payments made by the buyer for the right to distribute or resell the imported goods shall not be added to the price actually paid or payable for the imported goods if such payments are not a condition of the sale for export to Oman of the goods.

## ARTICLE 9

- 1. Where the conversion of currency is necessary for the determination of the Customs value, the rate of exchange to be used at the material time shall be that duly published daily by the Oman Central Bank and shall reflect as effectively as possible, in respect of the period covered by each such document of publication, the current value of such currency in commercial transaction.

## ARTICLE 10

1. With a view to determining Customs value any person or undertaking directly or indirectly concerned with the import transaction in question shall supply all necessary information and documents to the Customs administration within the time limits prescribed by the latter.
2. All information which is by nature confidential or which is provided on a confidential basis for the purposes of customs valuation shall be treated as strictly confidential by the Customs administration who shall not disclose it without the specific permission of the person or government providing such information, except to the extent that it may be required to be disclosed in the context of judicial proceedings.

## ARTICLE 11

If, in the course of determining the customs value of imported goods, it becomes necessary to delay the final determination of customs value, the importer shall nevertheless be able to withdraw his goods from the Customs if, where so required, he provides sufficient guarantee in the form of a surety, a deposit or some other appropriate instrument, covering the ultimate payment of customs duties for which the goods may be liable

## ARTICLE 12

Laws, regulations, judicial decisions and administrative rulings of general application giving effect to this law shall be published promptly in the Official Gazette.

## ARTICLE 13

If the importer believes that he has been unjustly treated in the decision made by the customs duty assessment, he has the right to raise his case to the permanent committee formed by decision of the Inspector General provided that the claimant is represented in the same committee.

The executive regulations will determine the work procedures of the said committee.

The decision of the committee can be appealed against, without penalty, to the Commercial Court, within sixty days from the date of the committee's decision.

## ARTICLE 14

1. The customs value of imported goods shall not include the cost of transport after importation in to the customs territory of Oman provided that such cost is distinguished from the price actually paid or payable for the imported goods
2. a. Where goods are carried by the same means of transport to a point beyond the place of introduction in to the customs territory of Oman transport costs shall be asessed in proportion to the distance covered outside and inside the customs territory of Oman.

The preceding sub-paragraph shall not apply to goods sent by post. Special provisions may be adopted for such goods in view of the special nature of charges in international postal services.

b. Where transport is free or provided by the buyer, transport costs to the place of introduction, calculated in accordance with the schedule of freight rates normally applied for the same modes of transport, shall be included in the customs value.

## ARTILCE 15

The particulars and documents to be furnished to the Customs administration for the purposes of application of this Act shall be determined in accordance with procedures laid down by the administration

## ARTICLE 16

Provisions necessary for the implementation of the provisions of this Act shall be enacted as separate subordinate law by the Oman legislative

## THE INCIDENCE OF ROYALTIES AND LICENCE FEES IN CUSTOMS VALUE



## ARTICLE 17

1. For the purpose of .....to Oman Customs Act (16 of 1978), royalties and licence fees shall take to mean in particular payment for the use of rights relating
  - .to the manufacture of imported goods (in particular, patents, designs, models and manufacturing know how), or
  - .to the sale for exportation of imported goods (in particular, trade marks, registered designs), or
  - .to the use or resale of imported goods (in particular copyright, manufacturing processes inseparably embodied in the imported goods).
2. Without prejudice to Article ..... to Oman Customs Act, when the Customs value of imported goods are determined under the provisions of Article.....of that Act, a royalty or licence fee is to be added to the price actually paid or payable only when this payment: is related to the goods being valued, and constitutes a condition of sale of those goods

## ARTICLE 18

1. When the imported goods are only in ingredient or component of goods manufactured in Oman an adjustment to the price actually paid or payable for the imported goods shall only be made when the royalty or licence fee relates to those goods.
2. Where goods are imported in an unassembled state or only have to undergo minor processing before resale, such as diluting or packing, this shall not prevent a royalty or licence fee from being considered related to the imported goods.
3. If royalties or licence fees relate partly to the imported goods and partly to other ingredients or component parts added to the goods after their importation, or to the post importation activities or services, an appropriate apportionment shall be made only on the basis of objective and quantifiable data.