

MEMORANDUM D13-3-12

Ottawa, March 28, 2001

SUBJECT

ASSISTS (*CUSTOMS ACT*, SECTIONS 48 TO 53)

This Memorandum outlines and explains the application of various sections of the *Customs Act* in determining the value for duty of import transactions involving the goods and services referred to in subparagraph 48(5)(a)(iii) of the Act.

GUIDELINES AND GENERAL INFORMATION

Explanation of the Term “Assists”

1. “Assists” is a term used to describe any of the following goods or services provided free or at a reduced charge by the purchaser for use in the production of imported goods:
 - (a) materials, components, parts, and other goods incorporated in imported goods;
 - (b) tools, dies, moulds, and other goods utilized in the production of imported goods;
 - (c) any materials consumed in the production of imported goods; and
 - (d) engineering, development work, art work, design work, plans and sketches undertaken elsewhere than in Canada and necessary for the production of imported goods.
2. Engineering, development work, art work, design work, plans and sketches which are undertaken in Canada are not regarded as assists. See Memorandum D13-3-7, *Engineering, Development Work, Etc., Undertaken Elsewhere Than in Canada (Customs Act, Sections 48 to 53)*.

Application

3. There are three instances in which assists are relevant to the determination of the value for duty.
4. Under subparagraph 48(5)(a)(iii), the value of any assist must be included in the transaction value of the goods being appraised when determining the value for duty under that section. See Memorandum D13-4-8, *Assists (Customs Act, Section 48)*.
5. Under paragraph 51(3)(b), sales to a person who has provided an assist in respect of the goods sold cannot be used to determine the price per unit of those goods when applying the deductive method of valuation. See Memorandum D13-7-1, *Determination of the Price per Unit (Customs Act, Section 51)*.

6. Under subparagraph 52(2)(a)(iv), the value of any of the goods or services in question is to be included in the value for duty determined using the computed method of valuation whether or not they were supplied free or at a reduced charge. See Memorandum D13-8-1, "*Computed Value*" Method (*Customs Act, Section 52*).

Determining the Value of an Assist

7. The value of an assist is to be determined in the manner prescribed in section 4 of the *Valuation for Duty Regulations* (see Memorandum D13-1-1, *Valuation for Duty Regulations*, and Memorandum D13-4-8).

REFERENCES

ISSUING OFFICE –

Origin and Valuation Policy Division
Trade Policy and Interpretation Directorate

LEGISLATIVE REFERENCES –

Customs Act, subparagraph 48(5)(a)(iii), paragraph 51(3)(b), and subparagraph 52(2)(a)(iv)
Valuation for Duty Regulations, section 4

HEADQUARTERS FILE –

7034-5-1

SUPERSEDED MEMORANDA “D” –

D13-3-12, June 1, 1986

OTHER REFERENCES –

D13-1-1, D13-3-7, D13-4-8, D13-7-1, D13-8-1

Services provided by the Canada Customs and Revenue Agency are available in both official languages.

This Memorandum is issued under the authority of the Commissioner of Customs and Revenue.