

MEMORANDUM D13-11-4

Ottawa, March 28, 2001

SUBJECT

VALUE FOR DUTY OF PROMOTIONAL MATERIAL

This Memorandum outlines and explains the method by which the value for duty of promotional material may be determined.

GUIDELINES AND GENERAL INFORMATION

1. If the goods are sold for export to Canada, the value for duty can be determined under the transaction value (section 48 of the *Customs Act*) provided that the price paid or payable for the goods can be determined and adjusted in accordance with subsection 48(5) of the Act, as necessary, and that the other requirements of that section are met.
 2. If the promotional material is included in a shipment of other goods, for example, a shipment of electric ranges, the entire shipment could be treated as a package deal provided the transaction meets the definition of what constitutes a package deal. The total value of the shipment could then be apportioned over the promotional material and the ranges. In making the apportionment, the price or cost breakdowns must be reasonable and based on sufficient information. Guidelines illustrating how an apportionment of the total package price may be made are outlined in Memorandum D13-3-9, *Package Deals*. In apportioning the total package price, the promotional material may be valued in accordance with the instructions provided in Memorandum D13-11-3, *Value for Duty of Printed or Lithographed Matter of Paper (Customs Act, Sections 48 to 53)*.
 3. Where the promotional material is not part of a package deal and cannot be valued under section 48 of the *Customs Act* because it has not been sold and/or the price paid or payable cannot be determined, valuation is to proceed under the alternative methods of valuing imported goods (see Memorandum D13-11-3).
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REFERENCES

ISSUING OFFICE –

Origin and Valuation Policy Division
Trade Policy and Interpretation Directorate

LEGISLATIVE REFERENCES –

Customs Act, sections 48 to 53

HEADQUARTERS FILE –

7034-5-60

SUPERSEDED MEMORANDA “D” –

D13-11-4, June 1, 1986

OTHER REFERENCES –

D13-3-9, D13-11-3

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.