



## If any amount is to be paid as royalty, etc after the importation of the goods is complete, the same would not be included in transaction value under Customs

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Rule 10(1)(c) of Customs Valuation Rules states that: *"10. Cost and services. - (1) In determining the transaction value, there shall be added to the price actually paid or payable for the imported goods,*

*(c) royalties and licence fees related to the imported goods that the buyer is required to pay, directly or indirectly, as a condition of the sale of the goods being valued, to the extent that such royalties and fees are not included in the price actually paid or payable."*

The wordings of Sections 14 and 14(1A) are also clear and explicit.

Hence, the value of the imported goods has to be determined at the time and place of importation. The value to be determined for the imported goods would be the payment required to be made as a condition of sale. Assessment of Customs duty must have a direct nexus with the value of goods which was payable at the time of importation.

If any amount is to be paid after the importation of the goods is complete, inter alia by way of royalty for transfer of licence or technical know-how, etc, the same would not be computed for the said purpose, as was held in the case of **M/s ERICSSON INDIA PRIVATE LIMITED Vs ADDITIONAL DIRECTOR GENERAL (ADJUDICATION) [2025-VIL-1698-CESTAT-DEL-CU]**.

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