SVB PROCEDURE

(SOURCE: Customs Valuation Book-Deepak Kumar)

As per revised instructions of the board vide Circular No.11/2001 – Cus dtd. 23.02.2001, SVBs are now located in 4 Metros at Delhi, Chennai, Mumbai, and Kolkatta.

Ordinarily these SVBs are ordained to investigate special relationship cases. However, even in the following situations, where the additions are required to be made, the cases are to be investigated by sVBs in spite of the fact that there is no relation between buyer and seller.

- Additions required to be made on account of Royalty of License fees
- Additions on account of value of any part of the proceeds of the subsequent resale or disposal or use of goods accruing to the seller.
- Addition on account of any other payment actually made or to be made as a condition of sale of imported goods

Board has prescribed that cases shall be referred to the SVB with the approval of Commissioner. Approval for referring the case shall be given only after Commissioner is satisfied that prima facie the relationship has influenced the price.

After the Commissioner approves the reference to be made to SVB, the assessing Group is required to issue a Questionnaire to the importer requesting him to furnish a reply within 30 days of the receipt of questionnaire. Reply is to be provided to the referring Custom House as also to SVB of Custom House, where it is referred.
Thereafter the case is registered with the SVB. All the imports are assessed provisionally with Revenue Deposit (RD) of 1%. However, if importer fails to furnish the information within stipulated time, the R.D. is increased to 5%. Board has stipulated that the investigations should be completed within 4 months from the date of receipt of full information and documents from the importer.

In order to coordinate the functioning of four SVBs as also inform various CHs about registration of particular importers cases, a Central Registering Database (CRD) has been started. This is a database maintained by Directorate General of Valuation (DGOV) on its website which contains details of Special Valuation (SVB) cases relating party importers, payment of Royalties, License fees, supply of materials and services by the importer, etc. registered in the four major Custom Houses of Mumbai, Chennai, Delhi and Kolkata.

Each case registered under SVB has to be uploaded in the CRD by the respective Customs Houses. The Central Registry (CRD) is available on the Directorate’s website for reference by Departmental officers.