
WATCH OUT FOR ASSISTS

The apportioned value of any assist constitutes part of the transaction value of imported merchandise. Once the value of the assist is determined, then the value is either prorated to the imported merchandise or declared lump sum on the first entry.

What is an Assist?

An assist is any of the items listed below that the buyer of imported merchandise provides directly or indirectly, free of charge, or at a reduced cost, for use in the production or sale of merchandise for export to the United States.

- ▶ Materials, components, parts, and similar items incorporated in the imported merchandise
- ▶ Tools, dies, molds, and similar items used in producing the imported merchandise
- ▶ Merchandise consumed in producing the imported merchandise
- ▶ Engineering*, development, artwork, design work, and plans and sketches undertaken outside the United States

*Engineering will not be treated as an assist if the service or work is:

- performed by a person domiciled within the United States,
- performed while that person is acting as an employee or agent of the buyer of the imported merchandise
- incidental to other engineering, development, artwork, design work, or plans or sketches undertaken within the United States

Determining the Value of an Assist

The value of an assist is either:

- (a) the cost of acquiring the assist, if acquired by the importer from an unrelated seller, or
- (b) the cost of the assist, if produced by the importer or a person related to the importer.

The value includes the cost of transporting the assist to the place of production.

The value of assists used in producing the imported merchandise is adjusted to reflect use, repairs, modifications, or other factors affecting the value of the assists. Assists of this type include such items as tools, dies, and molds.

Best Practices for Assists

- A specific position or management coordinates all assists.
- The company maintains a tracking system for assists.
- The company maintains records of assist details, such as how assists are prorated or apportioned on Customs entries.

Red Flags for Assists

- Company has accounts for recording assists, tools, dies, molds, or similar items used in production, or company does not have a tracking system for assists.
- Foreign research and development necessary for production isn't included in the invoiced value.
- Design, development, and engineering charges are necessary for production.
- Merchandise is exported to foreign vendors or manufacturers.
- The importer is a non-manufacturing importer (e.g., sales office) with manufacturing equipment depreciation or credits to fixed asset accounts (unreported assists).
- Advance or supplemental payments/deposits are made to vendors.
- Assist payments are made to a domestic company with a foreign subsidiary.
- For reported assists, freight and related transportation charges paid by a buyer in connection with shipments of material are not included.
- For reported assists, the value of waste and scrap is deducted from the invoiced value.