

# Container Imbalance Charge

Customs Valuation  
June 2023



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# Container Imbalance Charge (CIC)

A container imbalance charge or CIC is a cost charged to compensate for the repositioning of empty containers between countries where you'll find a trade imbalance. When there's no use for a container that's been previously imported to those specific countries, it remains empty, and so there's a cost involved to reposition the empty container.

This fee is an additional surcharge imposed by shipping companies to compensate for the cost of moving empty containers due to imbalances in trade volumes or seasonal changes in cargo flows and containers.

It can also be referred to as An Equipment Imbalance Surcharge (EIS).





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## WCO TCCV:

Recently the World Customs Organization's Technical Committee on Customs Valuation examined the case of "*Cost of transport for the return of carriages used in the transportation of imported goods*" but as no consensus could be reached by members it was placed into Part III of the Conspectus of Technical Valuation Questions (questions raised pending further work). There are two divided opinions on the inclusion or exclusion of CIC in customs value.





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## Opinion 1

Given that the return of the empty carriages was a transport movement that took place after the arrival at the port of importation, the related costs therefore constituted costs of transport after importation. As a result in accordance with Article 8.2(a) and paragraph 3(b) of the interpretative Note to Article 1, these costs **should not** be included in the Customs value.



## Opinion 2

Costs were incurred with a view to being able to transport the goods to the importing country. If the transport costs relating to the return of the empty carriages were not paid, there would be no transport at all. In other words there was a condition imposed by the seller before importation and the costs **should** be included in the price actually paid or payable under Article 1, paragraph 1 of the interpretative Note to Article 1 and paragraph 7 of Annex III to the Agreement.



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As the TCCV has not opined on the matter and there are Customs administrations who include such costs in the Customs value, what should you be doing?

- ⤴ Review freight and related contracts
- ⤵ Review freight invoices/payments for CIC, either as I) part of container cost or II) as a separate charge
- ⊙ If CIC payments were made, are they a part of your declared value to Customs?
- ⤵ If payments were made but do not form part of your declared value to Customs seek advice from your Tax advisors.



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