

De Minimis Value - Express Shipment Exemptions

Avoid paying duties when shipping to a particular country if the value of your shipment does not exceed the De Minimis value.

De Minimis Value

De Minimis Value as the threshold is known, varies from country to?country. Items imported into the United States are subject to duty when the value is over USD 800. In Australia, duty and taxes kick in after the first USD 1,000. In Canada, it's USD 20; in some other countries, it's USD 5. In Europe the average is about USD 190, however, it may vary considerably from country to country. Worldwide, 56 percent of individuals surveyed said they would buy more if the duties were reduced or eliminated. That opinion is shared by?80 percent of consumers surveyed in Latin America. Knowing which value applies to which country can help you estimate the landed cost—the full cost the customer will pay—and you can communicate this price to the buyer.

Find De Minimis value by country. Source: Global Express Association.

Disclaimer (GEA)

This report contains information that the GEA has been able to collect and reflects our members' experience of local practice in the countries or territories surveyed. It is not an official source of Customs information. We accept that it may not always be complete or up to date. You can help us improve it by sending us any additional information or corrections - from authoritative sources. We will revise the report as soon as new information is available, which can be verified and checked against our members' experience of local practice. The name of the country or territory used in this report, as well as the depiction of boundaries and borders on the map, do not imply official endorsement or acceptance by the Global Express Association or its members. Colors on the map are indicative and do not imply compliance with specific treaty obligations or lack thereof.

What the Customer Usually Pays

- Cost of the goods, including your profit margin
- A handling charge added by you at your discretion
- Freight
- Insurance
- Duty, if applicable
- Sales tax as set by the country where the buyer? lives
- The cost of return freight unless you agree to cover or pay a portion of it

Many items can be received duty-free if the goods meet the rules of origin under free trade agreements. Bilateral and multilateral efforts are underway to lower duty rates further among countries that don't have free trade agreements.

Other barriers involve rules and regulations. They too have improved, but more work needs to be done. <u>Country Commercial Guide</u> for a country, chapter 5 on Customs Regulations and Standards may include information on how to comply with the regulations.

A potential barrier is that a buyer has never heard of your company or your product, and may hesitate to make a purchase. A couple of studies report that 42 to 50 percent of buyers surveyed said reputation, trustworthiness, and ability to verify such attributes play a role in purchasing decisions. A consumer would weigh such factors in evaluating whether to make purchases from the website of a small company based in, for example, the United States.

?

This concern must be balanced in the mind of the buyer with the desire to acquire an unusual item or one seen as a good buy. Clearly, the latter wins out in many cases. Also, your company could be helped by the high esteem in which U.S. products and companies are held by foreign buyers. Buyer wariness, at least until perceptions change through experience, may require that your strategy involve more than one selling channel.