

**[BC CUSTOMS MEMORANDUM ORDER NO. 10-96,
April 18, 1996]**

**GUIDELINES IN THE COMPUTATIONS OF TAXES AND DUTIES
FOR MOTOR VEHICLES LANDED AT SPECIAL ECONOMIC ZONES
(SEZ) AND ENTERED INTO CUSTOMS TERRITORY**

I. *OBJECTIVES:*

1. To ensure collection of correct taxes and duties;
2. To obtain statistical data on the number of motor vehicles entered into Customs territory from the Special Economic Zones (SEZ).

II. *COVERAGE:*

This Order shall apply to all motor vehicles initially landed at the SEZ and subsequently entered into Customs territory thru public auction or private sale. Included are motor vehicles entered by Ritchie Brothers at the SEZ and sold at public auction to buyers in the Customs territory.

This Order shall also cover all motor vehicles not imported or registered in the name of a SEZ enterprise or even if imported or registered in the name of said enterprise, the vehicles are nonetheless not being utilized in the operations of the firm.

III. *GENERAL/PROVISIONS:*

A. The duties/taxes payable shall be computed based on the Invoice Value or the Depreciated Book Value, whichever is higher.

B. Invoice Value is hereby defined as the Price appearing in the Invoice issued by the Seller in the SEZ to the Buyer in the Customs Territory. For auction sales of motor vehicles and equipment, this means the actual bid price tendered by the winning bidder for the item.

C. The determination of the Depreciated Book Value, for automobiles, utility vehicles and other motor vehicles including motorcycles shall be in accordance with CMC 168-89 or subsequent amendments thereto. For trucks and heavy equipment, the depreciation shall follow the straightline method of 10% per year but not more than 90%.

D. In cases when Invoice Value is the basis for computation, no depreciation shall be allowed as the Invoice Value already take into account the condition of the motor vehicle.

CMO 27-95 and all Orders inconsistent herewith are deemed revoked or superseded.