

Valuation Simplification under Article 73 UCC: First Experiences and Open Questions

EU Tax Focus, 12/2026 (11 May 2026)

Ana Pinelas Pinto | Partner at Miranda & Associados

The author can be contacted at ana.pinto@mirandalawfirm.com

Lília Tomé de Azevedo | Partner at Miranda & Associados

The author can be contacted at lilia.azevedo@mirandalawfirm.com

1. Introduction

The customs valuation simplification under [article 73 of the Union Customs Code](#) (UCC) enables the customs value of imported goods to be determined in instances where certain price elements are not quantifiable at the time of acceptance of the customs declaration. Rather than requiring supplementary declarations, article 73 of the UCC allows the customs value to be established on the basis of specific criteria agreed in advance with the competent customs authority.

Despite its practical relevance, particularly for multinational enterprises with complex intra-group pricing, this regime has been applied unevenly across Member States, generating significant legal uncertainty for economic operators.

Against this background, the European Commission issued, on 12 March 2024, specific guidance (TAXUD/A6/2024/1621936) entitled Valuation Simplification under Article 73 UCC and Article 71 UCC DA (the Guidance), aiming to promote a more harmonized application of article 73 of the UCC. The Commission subsequently published the [Compendium of Customs Valuation 2025](#) (the Compendium), consolidating the interpretive framework for customs valuation. The Court of Justice of the European Union (CJEU) delivered its judgment in [Case C-782/23, Tauritus](#) (15 May 2025), addressing the relationship between the transaction value method, simplified declarations and article 73 of the UCC. This note examines the legal framework, assesses the first practical experiences and identifies some of the main open questions, including in light of the *Tauritus* judgment.

2. The Valuation Simplification Regime

2.1. What valuation simplification?

For the purposes of determining the customs debt on imported goods, it is essential to establish cumulatively the tariff classification, origin and customs value. The customs value constitutes the tax base for ad valorem duties and is therefore central to the correct assessment of the amounts due.

The simplification under [article 73](#) of the UCC, which is subject to prior authorization, allows certain elements of the customs value that may not be quantified at the time of acceptance of the customs declaration to be determined on the basis of specific criteria established in advance. As clarified in the Guidance, this applies where the value depends on future events or subsequent calculations – such as royalties based on future sales volumes, price adjustments linked to target profit margins, or other variable elements not yet ascertainable at the time of import.

This regime must be distinguished from the simplified declaration under article 166 of the UCC, which allows the submission of an incomplete initial declaration when not all elements for determining the customs value are available. While article 166 of the UCC addresses a temporary informational gap remedied through a supplementary declaration, article 73 addresses a structural characteristic of the pricing arrangement itself.

The principal distinguishing feature of article 73 of the UCC is that the customs value determined under the authorized methodology is definitive at the time of importation, eliminating the need for subsequent reconciliations and significantly reducing the administrative burden of supplementary declarations. For operators with complex and recurring pricing structures, this provides a more efficient and predictable alternative to article 166.

The definitiveness of the customs value has no bearing on the control powers of the customs authorities, which retain the power to verify the correct application of the approved formula and compliance with the authorization, whether at clearance (article 188 of the UCC) or through post-clearance controls (article 48 of the UCC). The Guidance further clarifies that authorities may reassess the methodology's continued appropriateness in light of changed circumstances.

2.2. Conditions for valuation simplification

The authorization under article 73 of the UCC requires the cumulative fulfilment of two sets of conditions under [article 71 of the UCC Delegated Act](#) (UCC DA), relating to objective justification and subjective reliability.

- (1) As regards the objective conditions, the operator must demonstrate that the simplified declaration mechanism under article 166 of the UCC would entail disproportionate administrative and financial burdens and that the customs value as determined under the simplification mechanism would not differ significantly from the standard valuation outcome. The Guidance requires a comparison between the simplified methodology and the standard outcome, taking into account a reasonable margin of tolerance.
- (2) As regards the subjective conditions, the applicant must satisfy requirements of compliance and organizational reliability, including the absence of serious or repeated infringements of customs and tax legislation, and adequate accounting reliability for effective customs controls. These requirements are substantially aligned with the criteria for authorized economic operator (AEO) status, particularly under the customs simplifications pillar (AEOC).

3. First Experiences

Although a customs valuation simplification mechanism has existed since 1997 under the former Community Customs Code (Regulation (EEC) No 2913/92), the UCC significantly broadened its scope as from 2016.

Until the Guidance of 12 March 2024, the practical application of article 73 of the UCC was characterized by significant heterogeneity among Member States. National customs authorities adopted divergent interpretations of the regime's scope and eligible price elements, and required methodological precision, resulting in considerable legal uncertainty. The Compendium has sought to address these inconsistencies by reinforcing the principles set out in the Guidance.

The Guidance and the Compendium have introduced several clarifications of particular significance for the practical application of the regime:

- First, with respect to legal certainty, the Guidance recognizes that the impossibility of determining the exact amount of certain value elements at importation does not preclude a definitive customs value from being

established, provided the calculation method is known in advance, objectively verifiable and based on criteria agreed upon with the customs authority. The Compendium confirms that the ex ante establishment of objective and verifiable criteria is the cornerstone of the regime.

- Second, with respect to administrative efficiency, the Guidance highlights the reduction in supplementary declarations under article 73 of the UCC compared with article 166, reducing costs associated with data reconciliation, document management and adjustment processing for both operators and customs authorities.

4. Open Questions: The Boundary between Articles 166-167 and Article 73 of the UCC in Light of the *Tauritus* Judgment

Despite the above clarifications, several important questions remain unresolved. The most fundamental concerns the precise boundary between the simplified declaration procedure under articles 166-167 of the UCC and the valuation simplification under article 73. Both address situations where the definitive customs value may not be established at importation, yet they differ materially in legal structure, procedural requirements and effects.

The CJEU's judgment in *Tauritus* provides important guidance. The case concerned a Lithuanian importer of diesel and jet fuel that had declared goods using provisional prices from pro forma invoices. The contracts stipulated that the final price would be determined on the basis of objective, predetermined factors – the average market price and exchange rate over a specified period – entirely outside the parties' control.

The Court held that article 70 of the UCC (the transaction value method) applies even where only a provisional price is known at importation, provided the final price is determinable on the basis of objective, predetermined contractual criteria. The fact that the price was not yet determined did not set aside the transaction value method, since the transactional value may correspond to the price "to be paid". In such circumstances, the appropriate mechanism is the simplified customs declaration under articles 166-167 of the UCC, whereby the provisional value is declared initially and the definitive value communicated through a supplementary declaration.

Critically, the Court found that article 73 of the UCC was not applicable in the circumstances: independently of the absence of prior authorization, the use of the simplified declaration procedure under articles 166 and 167 did not entail disproportionate administrative costs. The judgment thus confirms that article 73 of the UCC is a residual instrument, available only where the conditions of article 71 of the UCC DA are met.

The Court distinguished *Tauritus* from Case C-529/16, *Hamamatsu Photonics Deutschland* (20 December 2017), clarifying that *Hamamatsu* – involving the unilateral allocation of residual profits within an intra-group transfer pricing framework – is not transposable to situations where the final price is determinable on the basis of objective, predetermined market factors.

Several open questions remain. First, the judgment does not specify where the threshold for "disproportionate administrative costs" lies under article 71(1)(a) of the UCC DA – for instance, where the limit would be when an importer submits thousands of declarations annually, each subject to multiple variable price elements requiring individual reconciliation. Second, the condition under article 71(1)(b) – that the simplified customs value must not differ significantly from the standard outcome – raises interpretive difficulties, as neither the Guidance nor the Compendium provides a quantitative benchmark. Third, while *Tauritus* draws a clear line between a "determinable" price and a genuinely indeterminate one, many commercial arrangements involve pricing elements on a spectrum between these categories, and the judgment offers limited guidance on borderline cases.

These unresolved questions are of considerable practical significance. Until addressed through further legislative

or interpretive action at the EU level, divergent treatment across Member States will persist. A coordinated approach – through additional Commission guidance, common administrative practices within the Customs Expert Group or legislative clarification within the scope of the ongoing UCC reform – would be welcome to ensure a more uniform application of the valuation simplification regime.