

**Committee on Customs Valuation**

**REPORT OF THE COMMITTEE ON CUSTOMS VALUATION  
TO THE COUNCIL FOR TRADE IN GOODS**

A. Background

1. The Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (the Agreement) entered into force on 1 January 1995. This report covers the years 1995 and 1996. It addresses the work undertaken by the Committee on Customs Valuation (the Committee) in respect of the objectives of the Agreement, which are: to provide greater uniformity and certainty in the implementation of the provisions of Article VII of the GATT 1994; to establish a fair, uniform and neutral system for the valuation of goods for customs purposes that precludes the use of arbitrary or fictitious customs values; to ensure that the basis for valuation of goods for customs purposes should, to the greatest extent possible, be the transaction value of the goods being valued; and to secure additional benefits for the international trade of developing countries.

2. During the period under consideration, the Committee has held four formal meetings, on 12 May 1995 (G/VAL/M/1), 24 October 1995 (G/VAL/M/2), 25 April 1996 (G/VAL/M/3) and 25 October 1996 (G/VAL/M/4, to be issued). The Committee elected Mr. P. Palecka (Czech Republic) as Chairman and Mr. M. Baumbach (Brazil) as Vice-Chairman for 1995, and re-elected them for 1996.

3. Participation in the Committee is open to all WTO Members. In addition, Governments granted observer status by the WTO General Council, as well as representatives of the World Customs Organization (WCO), IMF and UNCTAD attended Committee meetings as observers.

4. At its meeting of 24 October 1995, the Committee adopted its rules of procedure, which were approved by the Council for Trade in Goods.

B. Implementation of the Agreement

5. The Committee examined the national legislations of eight Members which had been submitted during the period under consideration. The Committee concluded its examination of the legislations of Canada, the Czech Republic, the European Communities, Macau, Slovenia, and South Africa. With respect to the Mexican and Indian legislations, the Committee took note of the various points raised and the explanations furnished, and agreed to continue the examination.

6. The Committee adopted two decisions which were referred by the Ministers at Marrakesh to the Committee for adoption: (i) decision regarding cases where customs administrations have reasons to doubt the truth or accuracy of the declared value; and (ii) decision on texts relating to minimum values and imports by sole agents, sole distributors and sole concessionaires (G/VAL/1). The Committee also adopted decisions relating to the interpretation and administration of the Agreement (G/VAL/5). These decisions were originally adopted by the Tokyo Round Committee on Customs Valuation. The Committee further agreed on procedures for the notification of national legislation and response to the checklist of issues by Members who were Tokyo Round signatories and whose legislation had already been examined.

7. In conformity with Article 20.1 of the Agreement, 51 developing country Members have invoked delayed application of the provisions of the Agreement. Understanding has been reached in the Committee that the texts of the national legislation of these developing country Members will be supplied to the Committee before the developing country Members begin applying the provisions of the Agreement (G/VAL/5, para. B 2(ii)).

8. To date 14 Members have submitted communications indicating that their legislation notified under the Tokyo Round Customs Valuation Agreement remained valid under the WTO Customs Valuation Agreement; in addition 8 Members have notified either their complete national legislation on customs valuation or amendments thereto; 37 Members have not yet made any notification. (See Annex). The Chairman of the Committee has repeatedly expressed concern that a number of Members have not yet complied with the notification requirements, and urged those Members who have not yet done so to submit their notifications without further delay.

9. One Member has notified the date of its application of paragraph 2 of the Decision of the Committee on Customs Valuation on Valuation of Carrier-Media Bearing Software for Data Processing Equipment (See Annex).

10. The Committee took note that the General Council had, at its meeting of 31 January 1995, adopted a decision on "Continued Application under the WTO Customs Valuation Agreement of Invocations of Provisions for Developing Countries for Delayed Application and Reservations under the Tokyo Round Customs Valuation Agreement" (WT/L/38); and that the General Council had, at its meeting of 31 January 1995, adopted a decision on the "Avoidance of Procedural and Institutional Duplication" (WT/L/29). The Committee also took note of the reports on the work of the First (2-6 October 1995), Second (4-8 March 1996) and Third (30 September-4 October 1996) Sessions of the Technical Committee of the WCO.

C. Recommendations

11. The Committee recommends that, in accordance with the provisions of Article 20.3 of the Customs Valuation Agreement, emphasis be placed on addressing the technical assistance needs of developing countries in collaboration with the technical assistance activities of the World Customs Organization in order to ensure the smooth and timely transition of all Members towards effective and full implementation of the Agreement.

ANNEX

- (i) Members who have indicated that their legislation remains valid under the WTO Customs Valuation Agreement in accordance with the decision taken by the Committee (G/VAL/M/1) (14)

Australia (G/VAL/N/1/AUS/1)	Norway (G/VAL/N/1/NOR/1)
Brazil (G/VAL/N/1/BRZ/1)	Romania (G/VAL/N/1/ROM/1)
Hong Kong (G/VAL/N/1/HKG/1)	Slovak Republic (G/VAL/N/1/SVK/1)
Hungary (G/VAL/N/1/HUN/1)	Switzerland (G/VAL/N/1/CHE/1)
Japan (G/VAL/N/1/JPN/1)	Turkey (G/VAL/N/1/TUR/1)
Korea (G/VAL/N/1/KOR/1)	United States (G/VAL/N/1/USA/1)
New Zealand (G/VAL/N/1/NZL/1)	Zimbabwe (G/VAL/N/1/ZWE/1)

- (ii) Members who have submitted their legislations or amendments in accordance with Articles 22.1 and 22.2 of the Agreement (8)

Canada (G/VAL/N/1/CAN/1)	Macau (G/VAL/N/1/MAC/1)
Czech Republic (G/VAL/N/1/CZE/1)	Mexico (VAL/1/Add.25/Suppl.1/Rev.1,
European Communities (G/VAL/N/1/EEC/1/Rev.1)	Suppl.2, and Suppl.3)
India (G/VAL/N/1/IND/ 2)	Slovenia (G/VAL/N/1/SVN/1)
	South Africa (G/VAL/N/1/ZAF)

- (iii) Members who have delayed application of the provisions of the Agreement in accordance with Article 20.1 of the Agreement (51)

Bangladesh (WT/Let/1/Rev.1)	Kuwait (WT/Let/72)
Bolivia (WT/Let/48)	Madagascar (WT/Let/85)
Brunei Darussalam (WT/Let/36)	Malaysia (WT/Let/1/Rev.1)
Burkina Faso (WT/Let/19)	Mali (WT/Let/78)
Burundi (WT/Let/24)	Malta (WT/Let/1/Rev.1)
Cameroon (WT/Let/41)	Mauritania (WT/Let/82)
Central African Republic (WT/Let/19)	Mauritius (WT/Let/1/Rev.2)
Chile (WT/Let/1/Rev.1)	Morocco (Decision in WT/L/38)
Colombia (WT/Let/1/Rev.2)	Myanmar (WT/Let/1/Rev.1)
Costa Rica (WT/Let/1/Rev.1)	Nicaragua (WT/Let/29)
Côte d'Ivoire (WT/Let/1/Rev.1)	Nigeria (WT/Let/106)
Cuba (WT/Let/19)	Pakistan (WT/Let/1/Rev.1)
Djibouti (WT/Let/108)	Paraguay (WT/Let/1/Rev.1)
Dominican Republic (WT/Let/1/Rev.1)	Peru (Decision in WT/L/38)
Ecuador (WT/Let/72)	Philippines (WT/Let/1/Rev.1)
Egypt (WT/Let/19)	Senegal (WT/Let/1/Rev.1)
El Salvador (WT/Let/1/Rev.2)	Singapore (WT/Let/1/Rev.1)
Gabon (WT/Let/1/Rev.1)	Sri Lanka (WT/Let/1/Rev.1)
Ghana (WT/Let/1/Rev.1)	Thailand (WT/Let/1/Rev.1)
Guatemala (WT/Let/24)	Togo (WT/Let/19)
Honduras (WT/Let/1/Rev.1)	Tunisia (WT/Let/1/Rev.2)
Indonesia (WT/Let/1/Rev.1)	Uganda (WT/Let/108)
Israel (WT/Let/1/Rev.2)	United Arab Emirates (WT/Let/72)
Jamaica (WT/Let/1/Rev.2)	Uruguay (WT/Let/1/Rev.1)
Kenya (WT/Let/1/Rev.1)	Venezuela (WT/Let/1/Rev.1)
	Zambia (WT/Let/28)

(iv) Members who have made no notifications (36)

Antigua & Barbuda	Lesotho
Argentina	Malawi
Bahrain	Maldives
Barbados	Mozambique
Belize	Namibia
Benin	Papua New Guinea
Botswana	Poland
Chad	Qatar
Cyprus	Rwanda
Dominica	Saint Kitts & Nevis
Fiji	Saint Lucia
Gambia	Saint Vincent & Grenadines
Grenada	Sierra Leone
Guinea Bissau	Solomon Islands
Guinea, Rep. of	Suriname
Guyana	Swaziland
Haiti	Tanzania
Iceland	Trinidad & Tobago

(v) Members who have notified that they apply paragraph 2 of the decision of the Committee on Customs Valuation on Valuation of Carrier Media Bearing Software for Data Processing Equipment

Cyprus (G/VAL/N/1/CYP/1)