



Committee on Customs Valuation

**REPORT (2013) OF THE COMMITTEE ON CUSTOMS VALUATION
TO THE COUNCIL FOR TRADE IN GOODS¹**

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 year 2013 and addresses the work undertaken by the Committee on Customs Valuation (the Committee) in respect of the objectives of the Agreement. These 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 held two formal meetings, on 15 May 2013 (G/VAL/M/55) under the Chairmanship of Ms. Irena Banaszynska (Poland), and on 27 September 2013 (G/VAL/M/56) under the Chairmanship of Mr. Pierre-Emmanuel Brusselmans (Belgium). Mr. Pierre-Emmanuel Brusselmans was elected by the Committee as Chairperson for the 2013-2014 period, at the meeting of 15 May.

3. Participation in the Committee is open to all WTO Members. In addition, Governments granted observer status by the WTO General Council attended Committee meetings as observers. At the April 1997 meeting, the Committee granted observer status to those organizations which had had observer status on an *ad hoc* basis, namely UNCTAD and the WCO, as well as to the ACP and the IADB. The Committee took note of the fact that the World Bank and the IMF had observer status by virtue of the Agreements between these organizations and the WTO.

4. The Committee's rules of procedure, which were approved by the Council for Trade in Goods, are contained in document G/L/146.

B. Implementation of the Agreement

5. During the period under review, no developing country Member maintained delayed application of the provisions of the Agreement in accordance with the provisions of Article 20.1 of the Agreement. At the time of circulation of this report, no Member maintained an extension of the delay period in accordance with the provisions of paragraph 1, Annex III.

6. To date, 90 Members have notified their national legislation on customs valuation, including 16 Members which have submitted communications indicating that their legislation notified under the Tokyo Round Customs Valuation Agreement remained valid under the WTO Customs Valuation Agreement (both figures count the European Union as one). In addition, 63 Members have notified the check list of issues. In other words, 41 Members have not yet made any of these two notifications (see document G/VAL/W/232).

¹ This report was adopted by the Committee at its meeting of 27 September 2013.

C. Activities of the committee**7. At the meeting on 15 May 2013, the Committee:**

- took note of a report by a representative of the World Customs Organization on the activities of the Technical Committee on Customs Valuation at its 36th session, which was held on 15-19 April 2013;
- agreed to continue its review of the legislations of the Kingdom of Bahrain; Belize; Cambodia; Cape Verde; China; Costa Rica; Ecuador; Nicaragua; Nigeria; the Russian Federation; Rwanda; Saint Vincent and the Grenadines; Tunisia; and Ukraine. It also looked for the first time at notifications by Macao, China; Mali; and Uruguay, and agreed to conclude the review of Thailand's national legislation;
- took note of the summary information prepared by the Secretariat contained in document G/VAL/W/5/Rev.22, and which relates to the Decision on the "Treatment of Interest Charges in the Customs Value of Imported Goods" and the Decision on "Valuation of Carrier Media Bearing Software for Data Processing Equipment";
- took note of technical assistance activities carried out by both the WCO and WTO Secretariats;
- discussed the alleged used by Armenia of a reference price system in connection with the valuation of goods and agreed to revert back to the issue at the next meeting;
- agreed that the Committee would revert to paragraph 8.3 of the Doha Ministerial Decision on Implementation-Related Issues at its next meeting;
- took note of a Secretariat's document updating the status of notifications on preshipment inspection that circulated in document G/PSI/N/1/Rev.1/Add.1;
- looked again at questions raised by the United States on Indonesia's preshipment inspection programme;
- was informed by the Chairman of an informal consultation in which the request by the International Chamber of Commerce (ICC) was discussed; and
- elected Mr Pierre-Emmanuel Brusselmans (Belgium) as its Chair for the 2013-2014 period.

8. At the meeting on 27 September 2013, the Committee:

- took note of a report by a representative of the World Customs Organization;
- agreed to continue its review of the legislations of the Kingdom of Bahrain; Belize; Cape Verde; China; Costa Rica; Ecuador; Macao, China; Mali, Nicaragua; Nigeria; the Russian Federation; Rwanda; Saint Vincent and the Grenadines; Tunisia; Uruguay, and Ukraine. It also looked for the first time at notifications by Japan and Lao PDR, and agreed to conclude the review of Cambodia's national legislation;
- took note of summary information prepared by the Secretariat contained in document G/VAL/W/5/Rev.23, which relates to the Decision on the "Treatment of Interest Charges in the Customs Value of Imported Goods" and the Decision on "Valuation of Carrier Media Bearing Software for Data Processing Equipment"; It also discussed a proposal by Uruguay to update the Carrier Media Decision and agreed to revert to it at its next meeting;
- took note of technical assistance activities carried out by both the WCO and WTO Secretariats;
- discussed the alleged used by Armenia of a reference price system in connection with the valuation of goods and agreed to revert back to the issue at the next meeting;
- agreed that the Committee would revert to paragraph 8.3 of the Doha Ministerial Decision on Implementation-Related Issues at its next meeting;
- took note of a Secretariat's document updating the status of notifications on preshipment inspection that circulated in document G/PSI/N/1/Rev.1/Add.2 and G/PSI/N/1/Rev.1/Add.3;
- looked again at questions raised by the United States on Indonesia's preshipment inspection programme;
- discussed a proposal by Uruguay to rectify the English and Spanish version of Article 8:1(b)(iv) of the Agreement on Customs Valuation, and agreed to revert to it at its next meeting;
- discussed a proposal by Canada; the European Union; Chinese Taipei; and the United States to hold a workshop next year on the eventual use of database, where the International Chamber of Commerce and other organizations would be invited. The Committee agreed to revert to the issue at its next meeting;

- agreed to adopt the Nineteenth Annual Review of the Agreement and requested the Secretariat to update the draft to take account of the meeting; and
 - agreed to adopt the 2013 Report of the Committee to the Council for Trade in Goods and requested the Secretariat to update the draft to take account of the meeting.
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