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**Council for Trade in Goods
Committee on Customs Valuation**

**REPORT ON THE CURRENT FUNCTIONING OF THE
COMMITTEE ON CUSTOMS VALUATION**

REPORT OF THE CHAIRPERSON

The following report is being submitted by the Chairperson of the Committee on Customs Valuation, Mr Frank RITTNER, Chairperson of the Committee on Customs Valuation (CCV). It answers a request of the Chairperson of the Council for Trade in Goods (CTG) and shall facilitate the work on potential reform efforts undertaken by the CTG and its subsidiary bodies.¹ The report was prepared with the assistance of the Secretariat under the lead of the responsible division and, with respect to its structure and scope of the considerations, coordinated with other of subsidiary bodies of the CTG. It had been shared with the delegations one week before its submission to the Chairperson of the CTG by the Chairperson of the CCV under his responsibility.

The aim of this report is to present a factual basis for future discussions to be held by the Committee on possible reforms in respect of the functioning of the committee. This report does not intend to forestall any kind of assessment or judgement of any past and possible future actions taken (or not) respectively to prejudice any views to be given by the members in the further process. However, delegations are free to use this report as an occasion to start their own reflections in anticipation of informal discussion in the Committee in the beginning of next year, most likely by the end of January 2023.

1 PAST DECISIONS DETERMING THE CURRENT WORK OF THE COMMITTEE

1.1. Past decisions adopted by the Committee on Customs Valuation (CCV or Committee) at its meeting of 12 May 1995 concerning the interpretation and administration of the Agreement have determined the current work of the Committee, in particular, the Decisions on: (i) Notification and circulation of national legislation in accordance with Article 22 of the Agreement; (ii) Checklist of issues; and (iii) Information on technical assistance.

1.2. At its meeting in October 2012, the CCV agreed that the status of the mandatory notifications should be merged into a separate document to be distributed before each formal committee meeting.² This new annex to the agenda of each formal meeting provides an overview of Members' notifications, with respect of national legislation on customs valuation and replies to the checklist of issues. The information was previously summarized as annexes to the Annual Review of the Agreement and Report to the Council for Trade in Goods only at the end of each year.

1.3. At its meeting in May 2019, the Chair proposed that the next Chairperson would hold consultations with relevant delegations on two related issues: how to receive all outstanding responses before the next formal Committee meeting; and to work with Members that have yet to notify their national legislations, in an effort to identify appropriate assistance to expedite the process.³

1.4. The Chairpersons since then carried out consultations between the formal meetings and also led discussions on how to improve its functioning and operation during the meetings.

¹ JOB/CTG/18.

² G/VAL/M/54, paragraphs 8.3 and 8.4.

³ G/VAL/M/68.

1.5. At its meeting of May 2021, the Committee agreed to a new document series for the circulation of questions and responses regarding notified legislation.⁴ This document series dealt with Member questions concerning notified legislation under the Agreement on Customs Valuation (CVA) and was identified through symbol G/VAL/Q. A second series G/PSI/Q was established for the circulation of questions and responses regarding the Preshipment Inspection Agreement (PSI).

2 CURRENT STATUS OF COMMITTEE PRACTICES

2.1 Assistance to delegates

2.1. The Secretariat regularly provides bilateral assistance upon request (via email, in person or by virtual meetings) to Members in the processing of their notifications and their requests for technical assistance activities. There has been no request for a systematic training programme for Geneva-based delegates concerning the CCV until today.

2.2 Organization of Committee work

2.2.1 Digital tools used for Committee work

2.2. The CCV makes use of the general WTO-wide digital tools, such as e-registration and the "e-subscription" option in Documents online. E-registration allows Members to indicate their contact information as well as the different Committees that are covered by each delegate. The Secretariat and other delegations can use the information provided in this system to identify delegates covering the CCV and to e-mail communications and other documents. The E-subscription function in Documents Online allows delegates to indicate the Committees and other bodies that they follow and to receive daily alerts by e-mail every time that a new document has been issued, including those by the CTG.

2.3. In the Committee meeting of 25 October 2021, the CCV discussed inviting the Secretariat to make a presentation at the next meeting on e-Agenda. At the 17 May 2022 meeting, the Secretary to the Committee on Market Access (CMA) provided a presentation on the manner in which e-Agenda had been used in the context of the CMA's work. At its meeting on 4 November 2022, the Secretariat made a presentation of an e-Agenda prototype for the CCV. The Committee agreed at that meeting that it would continue exploring the use of the e-Agenda in a manner that allows Members to test its features and give their views on the features. For its formal meeting in May 2023, the Committee intends to run a trial use of e-Agenda for the first time. Afterwards, Members will have the opportunity to decide on whether to adopt e-Agenda for all of its meetings, taking into account experiences and feedback received.

2.2.2 Planning and organization of meetings

2.4. The CVA mandates that the Committee shall meet at least once a year and in practise, it holds two formal meetings, regularly in May and in October/November. To the extent possible, these formal meetings are organized in coordination with the meetings of other subsidiary bodies of the Council for Trade in Goods, plus in coordination with the meeting of the WCO Technical Committee on Customs Valuation (TCCV). The TCCV was established under Article 18.2 of the Customs Valuation Agreement and meets under the auspices of the World Customs Organization (WCO). At each formal meeting of the Committee, the tentative date of the next formal meeting is announced to Members or, if not yet possible, the date is subsequently circulated through a written communication.

2.5. The Committee holds informal meetings as required. Since 2019, only one informal meeting has been held. It took place on 4 June (in virtual mode) in order for the Chair to seek guidance from Members on how the Committee wanted to proceed with its work in the short to medium term in light of the postponement of the May meeting of the Committee and the ongoing pandemic. In this case, the convening communication was sent nine days prior to the meeting.

⁴ G/VAL/M/71.

2.2.3 Formal meetings

2.2.3.1 Communication before meetings

2.6. The practice is for the Secretariat to send to Members a convening notice four weeks prior to a formal meeting opening the agenda and providing the closing date for Members to add items, which is two days before the final agenda is circulated.

2.2.3.2 Number of meetings

2.7. The Committee was established in 1995. Since 2019, seven formal meetings, one informal meeting and one experience sharing workshop have taken place. In 2020, due to the COVID-19 pandemic, an informal meeting took place in June followed by a formal Committee in October. Since then, meetings can be joined virtually via an online-platform providing interpretation in the WTO-languages.

Table 1: Overview of formal and informal meetings

Year	Formal meeting (number and duration)	Informal meetings (number and duration)	Other (e.g. workshops, symposia, etc.)
2019	23 May (0.5 days) 25 October (0.5 days)	-	4 February (0.5 days) Experience-Sharing Workshop on Implementation of the Customs Valuation Agreement and Ensuring that the TFA supports implementation of the CVA including Technical Assistance and Capacity Building
2020	19 October (0.5 days)	04 June (0.5 days)	17 November (2 hours) Webinar to commemorate the 25th Anniversary of the Customs Valuation Agreement
2021	27 May (0.5 days) 25 October (0.5 days)	-	-
2022	17 May (0.5 days) 04 November (0.5 days)	-	-

2.2.3.3 Preparation of Airgrams and Agendas

2.8. There is no procedural rule in terms of the preparation of airgrams. However, in 2021 and 2022, the Secretariat began circulating a draft version of the Airgram in two steps:

- First, the Secretariat issues a draft Airgram that is circulated approximately 25 to 30 days before the date of the meeting through the WTO/AIR/VAL/ document series. This draft Airgram includes the standing agenda items and all other known information as of that date of circulation, and indicates the date in which the agenda will close as well as any other specific issues to consider for the preparation of the meeting.
- Second, once Members have submitted their documents and requested the inclusion of agenda items, a revised version of the Airgram is issued at least 10 days before the date of the meeting (WTO/AIR/VAL/XXX/Rev.1).

Table 2: Preparation of Airgrams and Agendas

Year	Date of formal meeting	Date of circulation of Airgram	No. of days before the meeting
2019	23 May (0.5 days)	10 May (Airgram)	13 days
	25 October (0.5 days)	15 October (Airgram)	10 days
2020	19 October (0.5 days)	8 October (Airgram)	12 days
2021	27 May (0.5 days)	28 April (Draft Airgram)	30 days
		17 May (Final Airgram)	10 days
	25 October (0.5 days)	27 September (Draft Airgram)	29 days
		15 October (Final Airgram)	10 days
2022	17 May (0.5 days)	6 April (Draft Airgram)	42 days
		6 May (Final Airgram)	12 days
	04 November (0.5 days)	4 October (Draft Airgram)	31 days
		25 October (Final Airgram)	10 days

2.9. The agenda of the Committee is composed of a number of standing items with regard to the Agreement on Customs Valuation:

- i. Report on the work of the Technical Committee On Customs Valuation by the WCO Secretariat;
- ii. Notifications of national legislation;
- iii. Written questions and replies;
- iv. Updates on the status of the application of Decisions of the Committee on Customs Valuation;
- v. Technical Assistance;
- vi. Specific Trade Concerns (when relevant); and
- vii. Other business.

2.10. Additional agenda items are added as required. Specifically, agenda item "Election of the Chairperson" is added at the spring meeting, and agenda items "Draft annual report to the CTG" and "Draft annual review of the Committee on Customs Valuation" are added at the autumn meeting. Every three years, at the autumn meeting of the Committee, the Secretariat inserts an item for the Committee to conduct its triennial review of the PSI Agreement according to Article 6 of the CVA during the following year.

2.11. The Committee on Customs Valuation also oversees the Agreement on Preshipment. The standing items covering the PSI Agreement are as follows:

- i. PSI notifications;
- ii. Written questions and replies; and
- iii. Information on PSI programmes as reported by TIC (International association representing independent testing, inspection and certification companies).

2.2.3.4 Distribution of documents prior to meetings

2.12. The distribution of formal documents, notifications and written questions and replies are circulated in the order in which they are received by the WTO Central Registry of Notifications (CRN), following verification by the responsible division of the Secretariat.

2.13. The circulation of draft annual and biennial reports is done closely after the closure of the agenda of the last meeting of the year. Members' submissions (notifications, written questions, or replies) received by the WTO Central Registry after the closing of the agenda for the meeting shall

be taken note of at the meeting. They are supposed to be inserted in the agenda of the next meeting and reviewed at that meeting.

2.14. All documents relevant to a meeting are added to the "Documents for Meetings" on the WTO webpage. Presentations or other documents received in advance can be circulated as room documents under the RD/VAL document series. Delegates subscribed to the Committee on Customs Valuation under the "e-subscriptions" option of Documents Online are alerted via e-mail on all new relevant documents issued. CVA documents can also be searched for on Documents Online without a subscription.

2.2.3.5 Conduct of the meeting

2.15. The conduct of the meetings follows the proposed agenda, unless Members request for short-term changes directly before or at the beginning of the meeting. During the meeting all delegations have the opportunity to speak to the matters of the agenda. Time restrictions have not yet been used so far. The meeting time has been around half day.

2.16. The number of delegations present in the room had increased for the 4 November 2022 meeting. However, a number of delegations still make use of the possibility of a virtual participation, in addition or alternatively to having their delegate present in the room for the meeting. From the IT-side, the usage of the virtual tool is stable and reliable. The Chairs alter the sequence of speakers to give present and online participants equal opportunity to take the floor.

2.2.3.6 Communication after meetings

2.17. The Chairperson sends a follow-up communication to the members after the meetings, if appropriate. In addition, the external relations division of the Secretariat may prepare a news item of the regular meetings and provide a list of key issues discussed on the WTO website.

2.2.3.7 Preparation of the minutes

2.18. There is no procedural rule to follow regarding the circulation of minutes. In practise, the Secretariat prepares minutes after every formal meeting, which capture all information shared at the formal meeting, especially reports by the Chairperson, Members' statements, reactions to these statements and decisions taken by the Committee. In the period 2019-2022, the minutes were circulated three months before the next meeting. The average length of the minutes has been 17 pages. Apart from the minutes and in addition to the information already available online, the WTO Secretariat also provides information to delegates on request.

Table 3: Preparation of the Minutes

Year	Last date of the formal meeting	Date of circulation of the minutes	No. of pages	No. of days
2019	23 May (0.5 days)	10 September	17	110
	25 October (0.5 days)	17 Jun 2020	18	236 ⁵
2020	19 October (0.5 days)	4 Jan 2021	19	77
2021	27 May (0.5 days)	12 July	24	46
	25 October (0.5 days)	20 December	21	56
2022	17 May (0.5 days)	7 July	23	51
	4 November (0.5 days)	-	-	-

⁵ This longer period reflects a shortage of resources to service the Committee.

2.19. The minutes of a formal meeting of the Committee also contain information on informal meeting(s) held since the previous formal meeting. This is generally done by means of a summary of the informal meeting prepared under the responsibility of the Chairperson and read at the formal meeting. The Chairperson also reports to the formal meeting on any consultations that they have held.

2.20. The minutes of the CCV are prepared as follows:

- A list of speakers is drawn-up during the meeting, and subsequently verified. The verified list of speakers is inserted into an initial frame or template document.
- Written statements received by the Secretariat as well as the statements made by the Chairperson are inserted into the minutes. In case the delegations do not submit their statements, the Secretariat proceeds to type the statements from the recording.
- Written statements received by the Secretariat in French or Spanish are sent for translation into English.
- Once a first draft includes all statements, the complete draft is edited and reviewed. The text is also formatted and checked for consistent WTO style and general readability.
- Once approved by the Chair and the Director, the English version of the minutes are circulated to Members.
- The minutes are then circulated to Members for their review and possible edits. The final version is subsequently circulated. Following the issuance of minutes, in case of error, or upon request of a Member, a corrigendum may be circulated. From 2019 to 2021 no member made use of that option. In case no comments are made by the Members, the English language version is then translated into French and Spanish language versions.

2.21. Once the minutes are circulated, and pursuant to Paragraph 2(c) of the WTO's Procedures for Circulation and Derestriction of WTO Documents (WT/L/452), they remain restricted in documents online (DOL) for 45 days.

2.2.4 Informal meetings

2.22. Informal meetings are convened through a communication that is sent to the official e-mail addresses of all Members,⁶ as well as the delegates that are identified as covering the Committee in the e-registration system.

2.23. The convening email contains information on the meeting date, time, location, purpose, and the proposed agenda.

2.24. In the period 2019-2022, only one informal meeting was convened on 4 June 2020 and the convening notice was circulated nine days prior to the meeting.

2.3 Substantive work

2.3.1 Notifications

2.25. The Committee receives several notifications on a yearly basis, both under the CVA and the PSI Agreement. The Committee receives notifications of new or modified legislations and notifications of responses to questions in the Checklist of Issues, notifications under the Decision on the Treatment of Interest Payment and the Decision on the Treatment of Carrier Media.

2.26. Information on notification compliance is regularly shared with Members at the formal meetings of the Committee taking place twice a year under the agenda item "Information on implementation and administration of the agreement pertaining to the notification of national

⁶ The list of official e-mail addresses is maintained by the Council and Trade Negotiations Division.

legislation". The Secretariat regularly produces a report with this information with detailed information on the notifications received.

2.27. Following the bilateral outreach first started by the Chairperson in 2019 and continued by subsequent Chairpersons, there has been a steady increase in the number of submissions. The impetus for the outreach was from the Workshop held in 2019.

2.3.2 Thematic sessions

2.28. The last thematic session was a workshop held on 14 February 2019, which was entitled "Experience-Sharing Workshop on Implementation of the Customs Valuation Agreement and Ensuring that the Trade Facilitation Agreement supports implementation of the CVA including Technical Assistance and Capacity Building". The objective the Workshop was to have an exchange among Members of their administrations' experiences in implementing the CVA. It also directly led to an increase in the number of notifications of national customs legislations.

2.29. On 17 November 2020, the Chair of the CCV, Mr Carlos Guevara (Ecuador), hosted a two-hour virtual seminar commemorating the 25th Anniversary of the CVA. The seminar was comprised of two sessions. The first session "Experience with the CVA over the past 25 years" featured speakers who focused on their experiences with certain aspects of the CVA. The second session "Looking ahead at the future of the CVA" consisted of speakers reflecting on their perspectives on the CVA going forward. Each session was followed by reactions and discussion among participating Members.

2.3.3 Reports by the Secretariat

2.30. The WTO Secretariat regularly updates three substantial reports for the Committee:

- i. Information on the application of the Decision on the treatment of interest charges in the value of imported goods and on the valuation of carrier media bearing software for data processing equipment, which is circulated under the G/VAL/W/5/ document series;
- ii. List of Preshipment Inspection programmes notified to the WTO, which is circulated in the G/VAL/W/63/ document series; and
- iii. Status of notifications of national legislation on customs valuation and response to the checklist of issues, which is circulated under the G/VAL/W/232/ document series.

2.31. The WTO Secretariat documents the activities of the Committee in two annual reports pursuant to Art. 23 of the CVA:

- i. a report to the CTG for the autumn meeting of the Committee, which are circulated to the Committee for approval; and
- ii. a review of the CVA which as well is approved by the Members.

2.32. For the most part, the annual review repeats the content of the annual report with rather different descriptions. Both the report and the review have retained their formats unchanged for many years.

2.3.4 Participation by external stakeholders

2.33. There are 24 observer governments and six observer international organizations to the Committee on Customs Valuation.

2.34. The WCO Secretariat participates in all formal meetings of the CCV and provides reports on the latest developments in the TCCV. The WTO Secretariat, in turn, regularly participates in the TCCV meetings and provides updates on the work of the CCV.

2.35. At agreed by the CCV in 1999, the Secretariat prepares, in advance of regular meetings of the Committee, a document indicating the situation with regard to countries using preshipment inspection (PSI) regimes. It presents information which is compiled exceptionally by the Testing, Inspection and Certification Council ([TIC Council](#), previously the International Federation of Inspection

Agencies - IFIA) in response to a request by the WTO. The information is circulated under the G/VAL/W/63 document series.

2.36. The CCV does not interact with other types of external stakeholders.

2.37. In addition, the WCO Secretariat regularly submits a report on the technical assistance/capacity building activities undertaken by the WCO Secretariat in the area of customs valuation, which is circulated under the G/VAL/8 document series.

2.3.5 Work with other Committees or WTO bodies

2.38. The CCV does not interact with other Committees or WTO bodies on a standardized basis. However, some delegates covering this Committee are the same ones covering the Trade Facilitation Committee and occasionally highlight the link between both agreements.
