

REPORT (2005) 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 year 2005. 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 [two] formal meetings, on 8 April (G/VAL/M/39) under the Chairmanship of Mr Robyn Twyman (United Kingdom), [and 18 October (G/VAL/M/40 to be issued) under the Chairmanship of Mr. Jooha Woo (Korea).] At the meeting of 8 April 2005, the Committee elected Mr. Jooha Woo (Korea) as Chairperson for 2005-2006.

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 G/L/146.

B. IMPLEMENTATION OF THE AGREEMENT

5. During the period under review, no developing country Members maintained delayed application of the provisions of the Agreement in accordance with the provisions of Article 20.1 of the Agreement. At circulation of this report, no Member maintains an extension of the delay period in accordance with the provisions of paragraph 1, Annex III. 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)). In addition, at circulation of the report, one Member maintains a reservation granted under paragraph 2, Annex III for minimum values (Sri Lanka), and one Member has requested an extension of a waiver for the application of minimum values granted under Article IX of the WTO (Senegal).

6. To date, 72 Members have notified their national legislation on customs valuation (this figure includes the 14 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 and does not include the 25 individual EC Members). 51 Members have not yet made any notification (See Annex).

C. ACTIVITIES OF THE COMMITTEE

7. At the meeting on 8 April 2005, the Committee:

- concluded its examination of the legislation of Burkina Faso and Peru. It agreed to revert to the examination of the legislations of Armenia, China, India, Mexico and Thailand at the next meeting;
- took note of the information in document G/VAL/2/Rev.20 which contained a list of Members having invoked the special and differential provisions of the Customs Valuation Agreement. It also took note of document G/VAL/W/76/Add.9 which contained an updated inventory of notification requirements pursuant to extension decisions and minimum value reservations, and the notifications that had been made under the Decisions concerning delay extensions and minimum value reservations;
- took note of the information presented by the Secretariat on the Members which had delays or extensions of delay in application of the Agreement. Given that there were no Members currently benefiting from a delay in application, nor an extension of a delay, it was agreed to remove the item of "extension of delay period" from future agendas of the Committee meetings;
- took note of information submitted by Guatemala and Sri Lanka on their progress in phasing out minimum values, and adopted a decision granting Sri Lanka a further extension of its reservation under paragraph 2, Annex III to maintain a system of minimum values for used automobiles;
- noted the information presented on the TA activities of the WCO Secretariat and WCO Members. It also noted the information presented on the number and type of TA activities foreseen on customs valuation in the WTO 2005 TA Plan;
- with respect to the agenda item, Information on Certain Aspects of the European Communities Valuation Policy, heard a reaction from Brazil on the responses the EC had provided to questions Brazil had posed in 2003. It was agreed to revert to this item at the next Committee meeting;
- took note of the seven documents containing the Annual Reviews, namely G/VAL/W/29, G/VAL/W/43, G/VAL/W/77, G/VAL/W/89, G/VAL/W/108, G/VAL/W/124, and G/VAL/W/136 and agreed to revert to this item at the next meeting;
- agreed to revert to the question of holding the second review of the Agreement on Preshipment Inspection at its next meeting;
- hearing the report from the Chairman informing Members that he had carried out consultations on paragraph 8.3 of the Decision on Implementation-Related Issues and Concerns and that no new developments had been made in the matter, agreed that the incoming Chair would continue consultations and that the Committee would revert to the matter at the next meeting of the Committee;
- elected Mr. Jooha Woo (Korea) as Chairman for 2005.

8. At the meeting on 18 October 2005, the Committee

- concluded its examination of the legislation of Armenia, China, Guatemala, Mozambique, Peru, Qatar, and Uganda and agreed to revert to the examination of the legislations of India, Mexico and Thailand at the next meeting;
- took note of the information in document G/VAL/2/Rev.21 which contained a list of Members having invoked the special and differential provisions of the Customs Valuation Agreement. It also took note of document G/VAL/W/76/Add.10 which contained an updated inventory of

notification requirements pursuant to extension decisions and minimum value reservations, and the notifications that had been made under the Decisions concerning delay extensions and minimum value reservations;

- took note of information submitted by Senegal on its progress in phasing out minimum values;
- noted the information presented on the TA activities of the WCO Secretariat and WCO Members and that the WTO 2006 TA Plan was adopted by WTO Members;
- agreed to remove the item, Information on Certain Aspects of the European Communities Valuation Policy, from the agenda of the next Committee meeting;
- took note of the eight documents containing the Annual Reviews since 1998, namely G/VAL/W/29, G/VAL/W/43, G/VAL/W/77, G/VAL/W/89, G/VAL/W/108, G/VAL/W/124, G/VAL/W/136 and G/VAL/W/150 which have not been adopted by the Committee and agreed to revert to this item at the next meeting;
- adopted its annual report to the Council for Trade in Goods;
- carried out the fourth Transitional Review of China's implementation of the Agreement in accordance with paragraph 18 of China's Protocol of Accession;
- was informed that the Independent Entity established under Article 4 of the Agreement on Preshipment Inspection had received its first Review and agreed to revert to the question of holding the second review of the Agreement at its next meeting;
- hearing the report from the Chairman informing Members that he had contacted some interested Members on paragraph 8.3 of the Decision on Implementation-Related Issues and Concerns and that no new developments had been made in the matter, agreed to revert to the matter at the next meeting of the Committee.

ANNEX¹

Notifications

Members	Members who have indicated their legislation remains valid under the WTO Committee (G/VAL/M/1)	Members who have submitted their legislation or amendments under Articles 22.1 and 22.2 of the Agreement	Members who have submitted their replies to the Checklist of Issues (G/VAL/5)	Members who are delaying application of the Agreement under Article 20.1 or para. 1, Annex III of the Agreement or Article IX of the WTO Agreement
Albania	N/A	G/VAL/N/1/ALB/1		
Angola	N/A			
Antigua & Barbuda	N/A			
Argentina	G/VAL/N/1/ARG/1	VAL/1/Add.22 + Suppl. 1-4 + Suppl. 2/Rev.1	VAL/2/Rev.2/Add.4	
Armenia		G/VAL/N/1/ARM/1	G/VAL/N/2/ARM/1	
Australia	G/VAL/N/1/AUS/1	VAL/1/Add.14 + Suppl. 1-4 G/VAL/N/1/AUS/2	VAL/2/Rev.1/Add.12 + Suppl.1	
Bahrain	N/A			
Bangladesh	N/A			
Barbados	N/A			
Belize	N/A			
Benin	N/A			
Bolivia	N/A	G/VAL/N/1/BOL/1		
Botswana		VAL/1/Add.16		
Brazil	G/VAL/N/1/BRA/1	VAL/1/Add.20 + Suppl.1 G/VAL/N/1/BRA/2 and 3	VAL/2/Rev.2/Add.3	
Brunei Darussalam	N/A	G/VAL/N/1/BRN/1	G/VAL/N/2/BRN/1	
Bulgaria	N/A	G/VAL/N/1/BGR/1	G/VAL/N/2/BGR/1	
Burkina Faso	N/A	G/VAL/N/1/BFA/1		
Burundi	N/A			
Cambodia	N/A			
Cameroon	N/A			
Canada	G/VAL/N/1/CAN/1	VAL/1/Add.17 + Suppl.1-3 G/VAL/N/1/CAN/2	VAL/2/Rev.1/Add.14 G/VAL/N/2/CAN/1	
Central African Rep.	N/A			
Chad	N/A			
Chile	N/A			
China	N/A	G/VAL/N/1/CHN/1, 2, 3 and 4	G/VAL/N/2/CHN/1	
Colombia	N/A	G/VAL/N/1/COL/1	G/VAL/N/2/COL/1	
Congo	N/A			
Costa Rica	N/A	G/VAL/N/1/CRI/1	G/VAL/N/2/CRI/1	
Côte d'Ivoire	N/A	G/VAL/N/1/CVI/1		
Croatia	N/A	G/VAL/N/1/HRV/1	G/VAL/N/2/HRV/1	
Cuba	N/A	G/VAL/N/1/CUB/1	G/VAL/N/2/CUB/1	
Dem Rep. of Congo	N/A			
Djibouti	N/A			
Dominica	N/A	G/VAL/N/1/DMA/1		
Dominican Rep.	N/A	G/VAL/N/1/DOM/1		
Ecuador	N/A			
Egypt	N/A			
El Salvador	N/A			
European Communities	G/VAL/N/1/EEC/1	VAL/1/Add.2 + Suppl.1-13 + Suppl.1 G/VAL/N/1/EEC/1/Rev.1	VAL/2/Rev.1/Add.6	

¹ Documents that begin with the code "VAL" are Tokyo Round documents. The table reflects the situation as of the date of circulation of this report.

Members	Members who have indicated their legislation remains valid under the WTO Committee (G/VAL/M/1)	Members who have submitted their legislation or amendments under Articles 22.1 and 22.2 of the Agreement	Members who have submitted their replies to the Checklist of Issues (G/VAL/5)	Members who are delaying application of the Agreement under Article 20.1 or para. 1, Annex III of the Agreement or Article IX of the WTO Agreement
Fiji	N/A	G/VAL/N/1/FJI/1	G/VAL/N/2/FJI/1	
Former Yugoslav Rep. of Macedonia	N/A	G/VAL/N/1/MKD/1	G/VAL/N/2/MKD/1	
Gabon	N/A	G/VAL/N/1/GAB/1		
Gambia	N/A			
Georgia	N/A	G/VAL/N/1/GEO/1		
Ghana	N/A			
Grenada	N/A			
Guatemala	N/A	G/VAL/N/1/GTM/1		
Guinea Bissau	N/A			
Guinea, Rep. of	N/A			
Guyana	N/A			
Haiti	N/A			
Honduras	N/A			
Hong Kong, China	G/VAL/N/1/HKG/1	VAL/1/Add.9	N/A	
Iceland	N/A	G/VAL/N/1/ISL/1	G/VAL/N/2/ISL/1	
India	G/VAL/N/1/IND/1	VAL/1/Add.24 + Suppl.1 G/VAL/N/1/IND/2 and 3	VAL/2/Rev.2/Add.6 G/VAL/N/2/IND/1 + Corr.1	
Indonesia	N/A	G/VAL/N/1/IDN/1	G/VAL/N/2/IDN/1 + Corr.1	
Israel	N/A	G/VAL/N/1/ISR/1 + Corr.1	G/VAL/N/2/ISR/1	
Jamaica	N/A	G/VAL/N/1/JAM/1	G/VAL/N/2/JAM/1	
Japan	G/VAL/N/1/JPN/1	VAL/1/Add.7	VAL/2/Rev.1/Add.8 G/VAL/N/2/JPN/1	
Jordan	N/A	G/VAL/N/1/JOR/1	G/VAL/N/2/JOR/1	
Kenya	N/A	G/VAL/N/1/KEN/1	G/VAL/N/2/KEN/1	
Korea	G/VAL/N/1/KOR/1	VAL/1/Add.19 + Suppl. 1-4 + Suppl.3/Corr.1 G/VAL/N/1/KOR/2	VAL/2/Rev.2/Add.1 + Suppl.1	
Kuwait	N/A			
Kyrgyz Republic	N/A	G/VAL/N/1/KGZ/1	G/VAL/N/2/KGZ/1	
Lesotho		VAL/1/Add.21 + Suppl.1	VAL/2/Rev.2/Add.2	
Liechtenstein	N/A	G/VAL/N/1/LIE/1	N/A	
Macao, China	N/A	G/VAL/N/1/MAC/1	N/A	
Madagascar	N/A	G/VAL/N/1/MDG/1		
Malawi	G/VAL/N/1/MWI/1	VAL/1/Add.27		
Malaysia	N/A	G/VAL/N/1/MYS/1	G/VAL/N/2/MYS/1	
Maldives	N/A			
Mali	N/A			
Mauritania	N/A			
Mauritius	N/A	G/VAL/N/1/MUS/1	G/VAL/N/2/MUS/1	
Mexico	N/A	VAL/1/Add.25 + Suppl. 1-3 + Suppl.1/Rev.1 G/VAL/N/1/MEX/1	VAL/2/Rev.1/Add.10 VAL/2/Rev.2/Add.8 G/VAL/N/2/MEX/1 and Corr 1	
Moldova	N/A	G/VAL/N/1/MDA/1	G/VAL/N/2/MDA/1	
Mongolia	N/A			
Morocco	N/A	G/VAL/N/1/MAR/1 and 2 G/VAL/N/1/MAR/1/Rev.1 + Corr.1	G/VAL/N/2/MAR/1 G/VAL/N/2/MAR/2	
Mozambique	N/A	G/VAL/N/1/MOZ/1		
Myanmar	N/A			
Namibia	N/A	G/VAL/N/1/NAM/1		
Nepal	N/A			

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New Zealand	G/VAL/N/1/NZL/1	VAL/1/Add.12 + Suppl.1	VAL/2/Rev.1/Add.10	
Nicaragua	N/A			
Niger	N/A			
Nigeria	N/A			
Norway	G/VAL/N/1/NOR/1	VAL/1/Add.11 + Corr.1 + Suppl. 1-2	VAL/2/Rev.1/Add.7	
Oman	N/A	G/VAL/N/1/OMN/1	G/VAL/N/2/OMN/1	
Pakistan	N/A	G/VAL/N/1/PAK/1		
Panama	N/A	G/VAL/N/1/PAN/1	G/VAL/N/2/PAN/1	
Papua New Guinea	N/A			
Paraguay	N/A	G/VAL/N/1/PRY/1		
Peru	N/A	G/VAL/N/1/PER/1 - 3		
Philippines	N/A	G/VAL/N/1/PHL/1	G/VAL/N/2/PHL/1	
Qatar	N/A	G/VAL/N/1/QAT/1	G/VAL/N/2/QAT/1	
Romania	N/A	VAL/1/Add.8 + Suppl. 1-2 G/VAL/N/1/ROM/1 and 2	VAL/2/Rev.1/Add.9	
Rwanda	N/A			
St. Kitts & Nevis	N/A			
St. Lucia	N/A			
St. Vincent & Grenadines	N/A			
Senegal	N/A	G/VAL/N/1/SEN/1		
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei)	N/A	G/VAL/N/1/TPKM/1	G/VAL/N/2/TPKM/1-2	
Sierra Leone	N/A			
Singapore	N/A	G/VAL/N/1/SGP/1	G/VAL/N/2/SGP/1	
Solomon Islands	N/A			
South Africa	N/A	VAL/1/Add.15 + Corr.1 + Suppl. 1-3 G/VAL/N/1/ZAF	VAL/2/Rev.1/Add.13	
Sri Lanka	N/A			
Suriname	N/A	G/VAL/N/1/SUR/1		
Swaziland	N/A		G/VAL/N/2/SWZ/1	
Switzerland	G/VAL/N/1/CHE/1	VAL/1/Add.5	N/A	
Tanzania	N/A		G/VAL/N/2/TZA/1	
Thailand	N/A	G/VAL/N/1/THA/1	G/VAL/N/2/THA/1	
Togo	N/A			
Trinidad & Tobago	N/A	G/VAL/N/1/TTO/1	G/VAL/N/2/TTO/1	
Tunisia	N/A	G/VAL/N/1/TUN/1		
Turkey	G/VAL/N/1/TUR/1	VAL/1/Add.29 G/VAL/N/1/TUR/ 2	G/VAL/N/2/TUR/1	
Uganda	N/A	G/VAL/N/1/UGA/1		
United Arab Emirates	N/A			
United States	G/VAL/N/1/USA/1	VAL/1/Add.1 + Suppl.1-5	VAL/2/Rev.1/Add.1	
Uruguay	N/A	G/VAL/N/1/URY/1	G/VAL/N/2/URY/1	
Venezuela, The Bolivarian Rep. of	N/A	G/VAL/N/1/VEN/1	G/VAL/N/2/VEN/1	
Zambia	N/A	G/VAL/N/1/ZMB/1		

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Zimbabwe	G/VAL/N/1/ZWE/1	VAL/1/Add.23	VAL/2/Rev.2/Add.5	
TOTAL NOTIFIED		72 ²	50	

² This total number includes notifications by Members who have indicated their legislation remains valid under the WTO Committee (i.e. those in the first column of the table) and those made pursuant to Article 22 of the WTO Agreement and the Decision on Notifications (G/VAL/5).