

# WORLD TRADE ORGANIZATION

G/L/414  
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(00-4840)

## REPORT (2000) OF THE COMMITTEE ON CUSTOMS VALUATION TO THE COUNCIL FOR TRADE IN GOODS

### 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 2000. 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 five formal meetings, on 3, 9 and 16 March (G/VAL/M/13); 12, 28 April and 10, 31 May (G/VAL/M/14) under the Chairship of Mr. Edward Brown (United Kingdom); 14 June and 4 July (G/VAL/M/15); 21 July (G/VAL/M/16); and 7 and 13 November 2000 (G/VAL/M/17 to be issued) under the Chairship of Mr. Remo Moretta (Australia). At the April/May meeting, the Committee elected Mr. Remo Moretta (Australia) as Chairperson and Mr. Alejandro Buvinic (Chile) as Vice-Chairperson for 2000.

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.

### IMPLEMENTATION OF THE AGREEMENT

5. At the beginning of the period under review, 26 developing country Members maintained delayed application of the provisions of the Agreement in accordance with the provisions of Article 20.1 of the Agreement (for 29 Members, the delay period expired on 1 January 2000). At the end of the period under review (i.e. 31 December 2000) 6 developing country Members will maintain delayed application under these provisions (for 20 Members, the delay period will expire on various dates during the year 2000). At circulation of this report, 14 Members have been granted extensions of the delay period in accordance with the provisions of paragraph 1, Annex III; 6 requests for extensions are still pending agreement by Members. 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)).

6. 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; 30 additional Members have notified either their complete national legislation on customs valuation or amendments thereto; 55 Members have not yet made any notification (See Annex).

#### ACTIVITIES OF THE COMMITTEE

7. At the meeting in March 2000:

- the Committee adopted Decisions granting an extension of the delay period in applying the Agreement for the Dominican Republic, Jamaica and Sri Lanka. It took note of Uruguay's waiver request to the General Council for a minimum value reservation under Article IX of the WTO Agreement.

8. At the meeting in April/May 2000:

- the Committee examined the national legislations of Brazil, Bulgaria, and Romania and the responses provided by the Kyrgyz Republic, and Poland to the checklist of issues. The Committee concluded its examination of the legislation of Bulgaria, and of the responses to the checklist of issues submitted by the Kyrgyz Republic and Poland;

- the Committee took note of the information in document G/VAL/2/Rev.10/Corr.1 which contained a list of Members having invoked the special and differential provisions of the Customs Valuation Agreement. After discussion, it was agreed that the Secretariat would revise this document which was subsequently circulated as G/VAL/2/Rev.10/Corr.2. Under this agenda item, the Committee also adopted the Decisions granting Colombia and Nicaragua reservations on minimum values in accordance with the provisions of paragraph 2, Annex III and the Decisions granting Mauritania, Myanmar and Tunisia an extension of the delay period, in accordance with paragraph 1, Annex III;

- the Committee took note of an update provided by the WTO Secretariat on its Technical Assistance Programme and heard a report from India on technical assistance programmes in the area of customs valuation conducted by their administration. The Committee took note of a report from the Inter-American Development Bank on its technical assistance activities in the area of customs reform, as well as of the questions and answers which followed this presentation;

- the Committee heard questions from India on certain aspects of the European Communities' valuation policy as well as the responses from the EC. It agreed to revert to this item at its next meeting;

- the Committee took note of a report by the Chair that his consultations on the Fourth and Fifth Annual Reviews of the Implementation and Operation of the Agreement had not resulted in a resolution of this matter. Therefore, this matter would remain with the Committee to be addressed as appropriate;

- the Committee took note of the report on the on-going work of the WCO Technical Committee.

8. At the meeting of June/July 2000:

- the Committee adopted a Decision granting El Salvador an extension of the delay period in accordance with paragraph 1, Annex III of the Agreement. It also adopted a Decision granting Morocco an extension of its reservation on minimum values, in accordance with the provisions under paragraph 2, Annex III of the Agreement;

- the Committee took note of an oral communication from the European Communities on technical assistance as well as the statements by Members in this connection.

9. At the meeting of 21 July 2000:

- the Committee adopted Decisions granting extensions of the delay period for Côte d'Ivoire, Egypt and Guatemala, in accordance with the provisions of paragraph 1 of Annex III of the Agreement;

- the Committee also took note of a report by the Chair of his consultations on the EC technical assistance proposal, as well as the statements by Members in this connection;

- under Other Business, the Committee heard questions from India and responses from the EC on the certain aspects of the latter's valuation policy. The Chair urged both parties to make all efforts to resolve the matter;

10. At the meeting of 7 and 13 November 2000:

- the Committee took note of the report of the World Customs Organization on the activities of the WCO Technical Committee;

- the Committee held an extensive discussion on the three implementation issues on customs valuation forwarded by the General Council and contained in paragraph 21(h) of document Job(99)/5868/Rev.1;

- the Committee concluded examination of the notifications of national legislation of Costa Rica, Estonia, Japan, Jordan, Malta, Poland, Slovenia, Turkey and Zambia and agreed to revert to the examination of the legislation of Brazil, Romania and the Kyrgyz Republic at its next meeting;

- the Committee adopted a Decision granting the Maldives an extension of the delay period, in accordance with the provisions of paragraph 1, Annex III of the Agreement and took note of the progress reports on implementation activities from Members that had received extensions;

- the Committee heard an exchange between India and the EC on questions India had posed on certain aspects of the EC valuation policy, following which the Committee agreed to revert to this item at the next meeting while both parties work towards resolving the matter bilaterally;

- the Committee agreed to India's request to include the draft Sixth Annual Review in the Chairman's consultations on the Fourth (1998) and Fifth (1999) Annual Reviews;

- the Committee adopted its report to the Council for Trade in Goods;

- the Committee heard a report from the Chairman on his consultations on the EC proposal on technical assistance and agreed to develop, with the support of the Secretariat, a work programme to reinvigorate and improve the provision of technical assistance in accordance with Article 20.3 of the Agreement.

ANNEX<sup>1</sup>

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
Albania	N/A	Not notified	Not notified	
Angola	N/A	Not notified	Not notified	
Antigua & Barbuda	N/A	Not notified	Not notified	
Argentina	G/VAL/N/1/ARG/1	VAL/1/Add.22 + Suppl. 1-4 +Suppl. 2/Rev.1	VAL/2/Rev.2/Add.4	
Australia	G/VAL/N/1/AUS/1	VAL/1/Add.14 + Suppl. 1-4	VAL/2/Rev.1/Add.12 + Suppl.1	
Bahrain	N/A			G/VAL/W/57 and Add.1 <sup>2</sup>
Bangladesh	N/A	Not notified	Not notified	
Barbados	N/A	Not notified	Not notified	
Belize	N/A	Not notified	Not notified	
Benin	N/A			WT/Let/242
Bolivia	N/A			G/VAL/W/73 and Add.1 <sup>3</sup>
Botswana	Not notified	VAL/1/Add.16	Not notified	
Brazil		VAL/1/Add.20 + Suppl.1 G/VAL/N/1/BRA/2 and 3	VAL/2/Rev.2/Add.3	
Brunei Darussalam	N/A	Not notified	Not notified	
Bulgaria	N/A	G/VAL/N/1/BGR/1	G/VAL/N/2/BGR/1	
Burkina Faso	N/A	Not notified	Not notified	
Burundi	N/A			G/VAL/W/72 <sup>3</sup>
Cameroon	N/A	Not notified	Not notified	
Canada		VAL/1/Add.17 + Suppl.1-3 G/VAL/N/1/CAN/1 + 2	VAL/2/Rev.1/Add.14 G/VAL/N/2/CAN/1	
Central African Rep.	N/A	Not notified	Not notified	
Chad	N/A			WT/Let/237
Chile	N/A	Not notified	Not notified	
Colombia	N/A	Not notified	Not notified	
Congo	N/A	Not notified	Not notified	
Costa Rica	N/A	G/VAL/N/1/CRI/1	Not notified	
Côte d'Ivoire	N/A			G/VAL/32
Cuba	N/A	Not notified	Not notified	
Cyprus	N/A	VAL/1/Add.26 G/VAL/N/1/CYP/2	VAL/2/Rev.2/Add.7	
Czech Republic	N/A	VAL/1/Add.18 + Suppl.1/Corr.1 – 2 G/VAL/N/1/CZE/1 G/VAL/N/1/CZE/3	VAL/2/Rev.1/Add.15 + Suppl.1 G/VAL/N/1/CZE/2 G/VAL/N/2/CZE/1	
Dem Rep. of Congo	N/A	Not notified	Not notified	
Djibouti	N/A	Not notified	Not notified	

<sup>1</sup> Documents that begin with the code "VAL" are Tokyo Round documents. Where a Member has indicated that its legislation notified under the Tokyo Round Committee remains valid under the WTO Committee (second column), that Member is not counted in the total under the column listing Members who have submitted legislation under Article 22.1 and 22.2 (third column); that Member is counted under the second column. The table reflects the situation as of the date of circulation of this report.

<sup>2</sup> Request under para.1, Annex III is pending. This Member is not included in the total count.

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
Dominica	N/A	Not notified	Not notified	
Dominican Rep.	N/A			G/VAL/22
Ecuador	N/A			WT/Let/72
European Communities		VAL/1/Add.2 + Suppl.1-13 + Suppl.1 G/VAL/N/1/EEC/1/Rev.1	VAL/2/Rev.1/Add.6	
Egypt	N/A			G/VAL/31
El Salvador	N/A			G/VAL/30
Estonia	N/A	G/VAL/N/1/EST/1	G/VAL/N/2/EST/1	
Fiji	N/A	G/VAL/N/1/FJI/1	G/VAL/N/2/FJI/1	
Gabon	N/A	G/VAL/N/1/GAB/1	Not notified	
Gambia	N/A	Not notified	Not notified	
Georgia	N/A	Not notified	Not notified	
Ghana	N/A	Not notified	Not notified	
Grenada	N/A	Not notified	Not notified	
Guatemala	N/A			G/VAL/33
Guinea Bissau	N/A	Not notified	Not notified	
Guinea, Rep. of	N/A	Not notified	Not notified	
Guyana	N/A	Not notified	Not notified	
Haiti	N/A			WT/Let/231
Honduras	N/A	Not notified	Not notified	
Hong Kong, China	G/VAL/N/1/HKG/1	VAL/1/Add.9	N/A	
Hungary	G/VAL/N/1/HUN/1	VAL/1/Add.6	VAL/2/Rev.1/Add.4	
Iceland	N/A	G/VAL/N/1/ISL/1	G/VAL/N/2/ISL/1	
India		VAL/1/Add.24 + Suppl.1 G/VAL/N/1/IND/2	VAL/2/Rev.2/Add.6	
Indonesia		Not notified	Not notified	
Israel	N/A	G/VAL/N/1/ISR/1 + Corr.1	Not notified	
Jamaica	N/A			G/VAL/24
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	Not notified	Not notified	
Korea	G/VAL/N/1/KOR/1	VAL/1/Add.19 + Suppl. 1-4 + Suppl.3/Corr.1	VAL/2/Rev.2/Add.1 + Suppl.1	
Kuwait	N/A			G/VAL/18
Kyrgyz Republic	N/A	G/VAL/N/1/KGZ/1	G/VAL/N/2/KGZ/1	
Latvia	N/A	G/VAL/N/1/LVA/1	G/VAL/N/2/LVA/1	
Lesotho	Not notified	VAL/1/Add.21 + Suppl.1	VAL/2/Rev.2/Add.2	
Liechtenstein		G/VAL/N/1/LIE/1	Not applicable	
Macau	N/A	G/VAL/N/1/MAC/1	N/A	
Madagascar	N/A	Not notified	Not notified	
Malawi	G/VAL/N/1/MWI/1	VAL/1/Add.27	Not notified	
Malaysia	N/A	Not notified	Not notified	
Maldives	N/A			G/VAL/35
Mali	N/A	Not notified	Not notified	
Malta	N/A	G/VAL/N/1/MLT/1	G/VAL/N/2/MLT/1	
Mauritania	N/A			G/VAL/29
Mauritius	N/A	Not notified	Not notified	
Mexico	Not notified	VAL/1/Add.25 + Suppl. 1-3 + Suppl.1/Rev.1	VAL/2/Rev.1/Add.10 VAL/2/Rev.2/Add.8	
Mongolia		Not notified	Not notified	

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
Morocco	N/A	G/VAL/N/1/MAR/1 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	Not notified	Not notified	
Myanmar	N/A			G/VAL/28
Namibia	N/A	G/VAL/N/1/NAM/1	Not notified	
New Zealand	G/VAL/N/1/NZL/1	VAL/1/Add.12 + Suppl.1	VAL/2/Rev.1/Add.10	
Nicaragua	N/A	Not notified	Not notified	G/VAL/W/74 <sup>3</sup>
Niger	N/A			WT/Let/301
Nigeria	N/A	Not notified	Not notified	
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	Not notified	Not notified	
Pakistan	N/A	Not notified	Not notified	
Panama	N/A	G/VAL/N/1/PAN/1	G/VAL/N/2/PAN/1	
Papua New Guinea	N/A	Not notified	Not notified	
Paraguay	N/A			G/VAL/17/Rev.1
Peru	N/A	Not notified	Not notified	
Philippines	N/A	Not notified	Not notified	
Poland	N/A	VAL/1/Add.28 G/VAL/N/1/POL/1 and 2	Not notified	
Qatar	N/A	Not notified	Not notified	
Romania	N/A	VAL/1/Add.8 + Suppl. 1-2 G/VAL/N/1/ROM/2	VAL/2/Rev.1/Add.9	
Rwanda	N/A	Not notified	Not notified	
St. Kitts & Nevis	N/A	Not notified	Not notified	
St. Lucia	N/A	Not notified	Not notified	
St. Vincent & Grenadines	N/A	Not notified	Not notified	
Senegal	N/A			G/VAL/W/45 and Add.1 <sup>3</sup>
Sierra Leone	N/A	Not notified	Not notified	
Singapore	N/A	G/VAL/N/1/SGP/1	G/VAL/N/2/SGP/1	
Slovak Republic	G/VAL/N/1/SVK/1	VAL/1/Add.18 + Suppl.1/Corr.1-2	VAL/2/Rev.1/Add.15 + Suppl.1	
Slovenia	N/A	G/VAL/N/1/SVN/1 and 2	G/VAL/N/2/SVN/1	
Solomon Islands	N/A	Not notified	Not notified	
South Africa		VAL/1/Add.15 + Corr.1 + Suppl. 1-3 G/VAL/N/1/ZAF	VAL/2/Rev.1/Add.13	
Sri Lanka	N/A			G/VAL/23
Suriname	N/A	G/VAL/N/1/SUR/1	Not notified	
Swaziland	N/A	Not notified	Not notified	
Switzerland	G/VAL/N/1/CHE/1	VAL/1/Add.5	N/A	
Tanzania	N/A			G/VAL/19
Thailand	N/A	Not notified	Not notified	
Togo	N/A	Not notified	Not notified	
Trinidad & Tobago	N/A	G/VAL/N/1/TTO/1	G/VAL/N/2/TTO/1	
Tunisia	N/A			G/VAL/27
Turkey	G/VAL/N/1/TUR/1	VAL/1/Add.29 G/VAL/N/1/TUR/2	Not notified	
Uganda	N/A	Not notified	Not notified	

<sup>3</sup> Request under para.1, Annex III is pending. This Member is not included in the total count.

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
United Arab Emirates	N/A			WT/Let/72
United States	G/VAL/N/1/USA/1	VAL/1/Add.1 + Suppl.1-5	VAL/2/Rev.1/Add.1	
Uruguay	N/A	Not notified	Not notified	
Venezuela, The Bolivarian Rep. of	N/A	Not notified	Not notified	
Zambia	N/A	G/VAL/N/1/ZMB/1	Not notified	
Zimbabwe	G/VAL/N/1/ZWE/1	VAL/1/Add.23	VAL/2/Rev.2/Add.5	
<b>TOTAL NOTIFIED</b>	<b>14</b>	<b>30</b>	<b>33</b>	<b>20</b>

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