

## REPORT (2012) 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 2012 and 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 held two formal meetings, on 10 May 2012 (G/VAL/M/53) under the Chairmanship of Mr. Masafumi Kobayashi (Japan), and on 25 October 2012 (G/VAL/M/54, to be issued) under the Chairmanship of Ms. Irena Banaszynska (Poland). Ms. Irena Banaszynska was elected by the Committee as Chairperson for the 2012-2013 period at the meeting of 10 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 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 circulation of this report, no Member maintains an extension of the delay period in accordance with the provisions of paragraph 1, Annex III.

6. To date, 89 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 (these figures do not include the 27 individual EU member States). In addition, 60 Member have notified the check list of issues. Some 41 Members have not yet made any notification (See Annex).

C. ACTIVITIES OF THE COMMITTEE

7. At the meeting on 10 May 2012, the Committee:

- Agreed to continue its review of the legislations of the Kingdom of Bahrain, Belize, Cambodia, China, Costa Rica, Nigeria, Saint Vincent and the Grenadines, Thailand, Tunisia, and Ukraine. It also looked for the first time at notifications by Ecuador and Rwanda. There was some progress with regard to the review of the legislations of Cambodia, China and Thailand, but the situation remained unchanged with respect to the others.
- Took note of technical assistance activities carried out by both the WCO and WTO Secretariats;
- Agreed to revert to paragraph 8.3 of the Doha Ministerial Decision on Implementation-Related Issues at its next meeting;
- Took note of Cape Verde's additional reports to the Committee regarding its progress on fulfilling the Action Plan which led to the full implementation of the Customs Valuation Agreement by 1 January 2012;
- 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;
- Looked again at questions raised by the United States on Indonesia's preshipment inspection programme;
- Agreed to follow the recommendations by the Committee on Budget, Finance and Administration which were adopted by the General Council (paragraphs 29 to 31 of document WT/BFA/128);
- Was informed by the Chairman that he had received a letter from Mr. Anthony Barone, Chairman of the Customs and Trade Regulations Committee of the International Chamber of Commerce (ICC), where he indicated that the ICC was interested in working with the Committee. This was, in particular, with respect to problems that arose from the misuse of customs valuation databases to set minimum or reference prices. The Committee agreed to discuss the issue in informal consultations;
- Elected Ms. Irena Banaszynska (Poland) as its Chair for 2012-2013.

8. At the meeting on 25 October 2012, the Committee:

- Agreed to revert to the legislation of Kingdom of Bahrain, Belize, Cambodia, Cape Verde, China, Costa Rica, Ecuador, Nigeria, Rwanda, Saint Vincent and the Grenadines, Tunisia, and Ukraine. It also looked for the first time at notifications by Nicaragua and the Russian Federation. The Committee agreed to conclude the review of Thailand's legislation;
- Took note of technical assistance activities carried out by both the WCO and WTO Secretariats;
- Agreed to revert to paragraph 8.3 of the Doha Ministerial Decision on Implementation-Related Issues at its next meeting;
- Agreed to revert to the alleged used by Armenia of a reference price system in connection with the valuation of goods;
- Took note of a report by the International Federation of Inspection Agencies (IFIA) concerning Members using pre-shipment inspection; the accuracy of the report was questioned by one delegation. The United States requested Indonesia to notify its preshipment inspection programme and the Committee agreed to revert back the issue at the next meeting;

- Agreed to adopt the Eighteenth Annual Review of the Agreement and requested the Secretariat to update the draft to take account of the meeting;
- Agreed to adopt the 2012 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;
- Was informed by the Chairman that a second letter had been received from the International Chamber of Commerce (ICC) seeking observership. It was agreed that the Committee would request the Technical Committee on Customs Valuation to provide background information on the misuse of databases to set minimum prices, and that the Chairperson would begin informal consultations on the question of whether to cooperate with the ICC.

## ANNEX<sup>1</sup>

### Notifications

Member	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	-	G/VAL/N/1/ALB/1	G/VAL/N/2/ALB/1	
Angola	-			
Antigua and Barbuda	-			
Argentina	G/VAL/N/1/ARG/1	VAL/1/Add.22 VAL/1/Add.22/Suppl. 1 VAL/1/Add.22/Suppl. 2 VAL/1/Add.22/Suppl. 3 VAL/1/Add.22/Suppl. 4 VAL/1/Add.22/Suppl. 2 VAL/1/Add.22/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 VAL/1/Add.14 + Suppl. 2 VAL/1/Add.14 + Suppl. 3 VAL/1/Add.14 + Suppl. 4 G/VAL/N/1/AUS/2	VAL/2/Rev.1/Add.12 VAL/2/Rev.1/Add.12 /Suppl.1	
Bahrain, Kingdom of	-	G/VAL/N/1/BHR/1 G/VAL/N/1/BHR/2	G/VAL/N/2/BHR/1	
Bangladesh	-			
Barbados	-			
Belize	-	G/VAL/N/1/BLZ/1	G/VAL/N/2/BLZ/1	
Benin	-			
Bolivia, Plurinational State of	-	G/VAL/N/1/BOL/1		
Botswana		VAL/1/Add.16		
Brazil	G/VAL/N/1/BRA/1	VAL/1/Add.20 VAL/1/Add.20/Suppl.1 G/VAL/N/1/BRA/2 G/VAL/N/1/BRA/3	VAL/2/Rev.2/Add.3	
Brunei Darussalam	-	G/VAL/N/1/BRN/1	G/VAL/N/2/BRN/1	
Burkina-Faso	-	G/VAL/N/1/BFA/1		
Burundi	-			
Cambodia	-	G/VAL/N/1/KHM/1	G/VAL/N/2/KHM/1	
Cameroon	-			
Canada	G/VAL/N/1/CAN/1	VAL/1/Add.17/Suppl.1 VAL/1/Add.17/Suppl.2 VAL/1/Add.17/Suppl.3 G/VAL/N/1/CAN/2	VAL/2/Rev.1/Add.14 G/VAL/N/2/CAN/1	
Cape Verde	-	G/VAL/N/1/CPV/1		
Central African Rep.	-			

<sup>1</sup> Documents beginning with "VAL" are GATT documents issued under the Tokyo Round Committee on Customs Valuation. The table reflects the situation as of the date of circulation of this report.

Member	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
Chad	-			
Chile	-	G/VAL/N/1/CHL/1		
China	-	G/VAL/N/1/CHN/1 G/VAL/N/1/CHN/2 G/VAL/N/1/CHN/3 G/VAL/N/1/CHN/4 G/VAL/N/1/CHN/5	G/VAL/N/2/CHN/1	
Colombia	-	G/VAL/N/1/COL/1	G/VAL/N/2/COL/1	
Congo	-			
Costa Rica	-	G/VAL/N/1/CRI/1 G/VAL/N/1/CRI/2	G/VAL/N/2/CRI/1	
Côte d'Ivoire	-	G/VAL/N/1/CVI/1		
Croatia	-	G/VAL/N/1/HRV/1	G/VAL/N/2/HRV/1	
Cuba	-	G/VAL/N/1/CUB/1	G/VAL/N/2/CUB/1	
Dem Rep. of Congo	-			
Djibouti	-			
Dominica	-	G/VAL/N/1/DMA/1		
Dominican Republic	-	G/VAL/N/1/DOM/1		
Ecuador	-	G/VAL/N/1/ECU/1 G/VAL/N/1/ECU/2 G/VAL/N/1/ECU/2/Rev.1	G/VAL/N/2/ECU/2	
Egypt	-	G/VAL/N/1/EGY/1	G/VAL/N/2/EGY/1	
El Salvador	-			
European Union	G/VAL/N/1/EEC/1	VAL/1/Add.2 + Suppl.1 VAL/1/Add.2 + Suppl.2 VAL/1/Add.2 + Suppl.3 VAL/1/Add.2 + Suppl.4 VAL/1/Add.2 + Suppl.5 VAL/1/Add.2 + Suppl.6 VAL/1/Add.2 + Suppl.7 VAL/1/Add.2 + Suppl.8 VAL/1/Add.2 + Suppl.9 VAL/1/Add.2 + Suppl.10 VAL/1/Add.2 + Suppl.11 VAL/1/Add.2 + Suppl.12 VAL/1/Add.2 + Suppl.13 G/VAL/N/1/EEC/1 G/VAL/N/1/EEC/1/Rev.1	VAL/2/Rev.1/Add.6 VAL/2/Rev.1/Add.6/Suppl.1	
Fiji	-	G/VAL/N/1/FJI/1-2	G/VAL/N/2/FJI/1	
Gabon	-	G/VAL/N/1/GAB/1		
The Gambia	-			
Georgia	-	G/VAL/N/1/GEO/1		
Ghana	-			
Grenada	-			
Guatemala	-	G/VAL/N/1/GTM/1		
Guinea-Bissau	-			
Guinea, Rep. of	-			
Guyana	-			
Haiti	-			
Honduras	-			

Member	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
Hong Kong, China	G/VAL/N/1/HKG/1	VAL/1/Add.9	N/A	
Iceland	-	G/VAL/N/1/ISL/1	G/VAL/N/2/ISL/1	
India	G/VAL/N/1/IND/1	VAL/1/Add.24 VAL/1/Add.24/Suppl.1 G/VAL/N/1/IND/2 G/VAL/N/1/IND/3	VAL/2/Rev.2/Add.6 G/VAL/N/2/IND/1 G/VAL/N/2/IND/1/Corr.1	
Indonesia	-	G/VAL/N/1/IDN/1		
Israel	-	G/VAL/N/1/ISR/1 G/VAL/N/1/ISR/1/Corr.1		
Jamaica	-	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	-	G/VAL/N/1/JOR/1	G/VAL/N/2/JOR/1	
Kenya	-	G/VAL/N/1/KEN/1	G/VAL/N/2/KEN/1	
Korea	G/VAL/N/1/KOR/1	VAL/1/Add.19 VAL/1/Add.19/Suppl.1 VAL/1/Add.19/Suppl.2 VAL/1/Add.19/Suppl.3 VAL/1/Add.19/Suppl.3/Corr.1 VAL/1/Add.19/Suppl.4 G/VAL/N/1/KOR/2	VAL/2/Rev.2/Add.1 + Suppl.1	
Kuwait	-	G/VAL/N/1/KWT/1		
Kyrgyz Republic	-	G/VAL/N/1/KGZ/1	G/VAL/N/2/KGZ/1	
Lesotho		VAL/1/Add.21 VAL/1/Add.21/Suppl.1	VAL/2/Rev.2/Add.2	
Liechtenstein	-	G/VAL/N/1/LIE/1	N/A	
Macao, China	-	G/VAL/N/1/MAC/1	N/A	
Madagascar	-	G/VAL/N/1/MDG/1		
Malawi	G/VAL/N/1/MWI/1	VAL/1/Add.27		
Malaysia	-	G/VAL/N/1/MYS/1	G/VAL/N/2/MYS/1	
Maldives	-			
Mali	-			
Mauritania	-			
Mauritius	-	G/VAL/N/1/MUS/1	G/VAL/N/2/MUS/1	
Mexico	-	VAL/1/Add.25 VAL/1/Add.25+ Suppl.1 VAL/1/Add.25+ Suppl.1/Rev.1 VAL/1/Add.25+ Suppl.2 VAL/1/Add.25+ Suppl.3 G/VAL/N/1/MEX/1 G/VAL/N/1/MEX/1/Rev.1	VAL/2/Rev.1/Add.10 VAL/2/Rev.2/Add.8 G/VAL/N/2/MEX/1 G/VAL/N/2/MEX/1/Corr.1	
Moldova, Rep. of	-	G/VAL/N/1/MDA/1	G/VAL/N/2/MDA/1	
Mongolia	-			
Montenegro				
Morocco	-	G/VAL/N/1/MAR/1 G/VAL/N/1/MAR/1/Rev.1 G/VAL/N/1/MAR/1/Rev.1/Corr.1 G/VAL/N/1/MAR/2	G/VAL/N/2/MAR/1	
Mozambique	-	G/VAL/N/1/MOZ/1		

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Myanmar	-			
Namibia	-	G/VAL/N/1/NAM/1		
Nepal	-			
New Zealand	G/VAL/N/1/NZL/1	VAL/1/Add.12 VAL/1/Add.12 /Suppl.1	VAL/2/Rev.1/Add.2	
Nicaragua	-	G/VAL/N/1/NIC/1	G/VAL/N/2/NIC/1	
Niger	-			
Nigeria	-	G/VAL/N/1/NGA/1	G/VAL/N/2/NGA/1	
Norway	G/VAL/N/1/NOR/1	VAL/1/Add.11 VAL/1/Add.11/Corr.1 VAL/1/Add.11/Corr.1/Suppl.1 VAL/1/Add.11/Corr.1/Suppl.2 G/VAL/N/1/NOR/2	VAL/2/Rev.1/Add.10	
Oman	-	G/VAL/N/1/OMN/1 G/VAL/N/1/OMN/2	G/VAL/N/2/OMN/1	
Pakistan	-	G/VAL/N/1/PAK/1		
Panama	-	G/VAL/N/1/PAN/1	G/VAL/N/2/PAN/1	
Papua New Guinea	-			
Paraguay	-	G/VAL/N/1/PRY/1		
Peru	-	G/VAL/N/1/PER/1 G/VAL/N/1/PER/2 G/VAL/N/1/PER/3 G/VAL/N/1/PER/4	G/VAL/N/2/PER/1	
Philippines	-	G/VAL/N/1/PHL/1	G/VAL/N/2/PHL/1	
Qatar	-	G/VAL/N/1/QAT/1	G/VAL/N/2/QAT/1	
Russian Federation		G/VAL/N/1/RUS/1	G/VAL/N/2/RUS/1	
Rwanda	-	G/VAL/N/1/RWA/1	G/VAL/N/2/RWA/1	
St. Kitts & Nevis	-			
St. Lucia	-			
St. Vincent & the Grenadines	-	G/VAL/N/1/VCT/1	G/VAL/N/2/VCT/1	
Samoa				
Saudi Arabia, Kingdom of	-	G/VAL/N/1/SAU/1	G/VAL/N/2/SAU/1	
Senegal	-	G/VAL/N/1/SEN/1		
Sierra Leone	-			
Singapore	-	G/VAL/N/1/SGP/1	G/VAL/N/2/SGP/1	
Solomon Islands	-			
South Africa	-	VAL/1/Add.15 VAL/1/Add.15/Corr.1 VAL/1/Add.15/Corr.1/Suppl.1 VAL/1/Add.15/Corr.1/Suppl.2 VAL/1/Add.15/Corr.1/Suppl.3 G/VAL/N/1/ZAF	VAL/2/Rev.1/Add.13	
Sri Lanka	-			
Suriname	-	G/VAL/N/1/SUR/1		
Swaziland	-	G/VAL/N/1/SWZ/1	G/VAL/N/2/SWZ/1	
Switzerland	G/VAL/N/1/CHE/1	VAL/1/Add.5	N/A	
Chinese Taipei	-	G/VAL/N/1/TPKM/1	G/VAL/N/2/TPKM/1-2	
Tanzania	-	G/VAL/N/1/TZA/1	G/VAL/N/2/TZA/1	
Thailand	-	G/VAL/N/1/THA/1	G/VAL/N/2/THA/1	

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The Former Yugoslav Republic of Macedonia	-	G/VAL/N/1/MKD/1	G/VAL/N/2/MKD/1	
Togo	-			
Tonga	-			
Trinidad and Tobago	-	G/VAL/N/1/TTO/1	G/VAL/N/2/TTO/1	
Tunisia	-	G/VAL/N/1/TUN/1 G/VAL/N/1/TUN/2 G/VAL/N/1/TUN/2/Rev.1 G/VAL/N/1/TUN/3		
Turkey	G/VAL/N/1/TUR/1	VAL/1/Add.29 G/VAL/N/1/TUR/2	G/VAL/N/2/TUR/1	
Uganda	-	G/VAL/N/1/UGA/1		
Ukraine	-	G/VAL/N/1/UKR/1 G/VAL/N/1/UKR/2	G/VAL/N/2/UKR/1	
United Arab Emirates	-			
United States of America	G/VAL/N/1/USA/1	VAL/1/Add.1 + Suppl.1 VAL/1/Add.1 + Suppl.2 VAL/1/Add.1 + Suppl.3 VAL/1/Add.1 + Suppl.4 VAL/1/Add.1 + Suppl.5	VAL/2/Rev.1/Add.1	
Uruguay	-	G/VAL/N/1/URY/1	G/VAL/N/2/URY/1	
Vanuatu				
Venezuela, Bolivarian Rep. of	-	G/VAL/N/1/VEN/1	G/VAL/N/2/VEN/1	
Viet Nam	-			
Zambia	-	G/VAL/N/1/ZMB/1		
Zimbabwe	G/VAL/N/1/ZWE/1	VAL/1/Add.23	VAL/2/Rev.2/Add.5	
<b>TOTAL NOTIFIED</b>	<b>16</b>	89 <sup>2</sup>	60	<b>0</b>

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<sup>2</sup> 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). It does not take into account notifications by individual EU member States.