

**REPORT (1995) OF THE COMMITTEE ON CUSTOMS VALUATION
TO THE COUNCIL FOR TRADE IN GOODS**

1. The WTO Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 entered into force on 1 January 1995.
2. During the period under consideration, the Committee has held two formal meetings, on 12 May 1995 (G/VAL/M/1) and 24 October 1995 (G/VAL/M/2 - to be issued). The Committee elected Mr. P. Palecka (Czech Republic) as Chairman and Mr. M. Baumbach (Brazil) as Vice-Chairman for 1995.
3. Participation in the Committee is open to all WTO Members. Certain non-WTO Members participated in the work of the Committee in accordance with the Decision of the WTO General Council of 31 January 1995 on Participation in Meetings of WTO Bodies by Certain Signatories of the Final Act Eligible to Become Original Members of the WTO (WT/L/27). In addition, the Committee agreed that Governments granted observer status by the WTO General Council would be allowed to attend meetings of the Committee as observers, without prejudice to the possibility of holding closed sessions without the presence of observers.
4. Representatives of the World Customs Organization (WCO), IMF and UNCTAD were invited to attend the first meeting of the Committee in an observer capacity, following a decision by the Council for Trade in Goods (G/C/M/1, paragraph 13.4). In accordance with interim procedures agreed upon by the General Council in April regarding the participation of international intergovernmental organizations in meetings of WTO bodies (WT/GC/M/3, page 3), representatives of the WCO, IMF and UNCTAD were invited by the Committee to attend the second meeting of the Committee as observers.
5. At its meeting of 24 October 1995, the Committee adopted its rules of procedure, subject to approval by the Council for Trade in Goods.
6. At its meeting of 12 May 1995, the Committee:
 - adopted two decisions which were referred by the Ministers at Marrakesh to the Committee for adoption. Those decisions are: (i) decisions regarding cases where customs administrations have reasons to doubt the truth or accuracy of the declared value; and (ii) decisions on texts relating to minimum values and imports by sole agents, sole distributors and sole concessionaires (G/VAL/1);
 - took note that the General Council had, at its meeting of 31 January 1995, adopted a decision on "Continued Application under the WTO Customs Valuation Agreement of Invocations of Provisions for Developing Countries for Delayed Application and Reservations under the Tokyo Round Customs Valuation Agreement" (WT/L/38).

- took note that the General Council had, at its meeting of 31 January 1995, adopted a decision on the "Avoidance of Procedural and Institutional Duplication" (WT/L/29);
- adopted decisions relating to the interpretation and administration of the Agreement (G/VAL/1/Rev.1). These decisions were originally adopted by the Tokyo Round Committee on Customs Valuation. The Committee also agreed on procedures for the notification of national legislation and response to the checklist of issues by Members who were Tokyo Round signatories and whose legislation had already been examined.

7. At its meeting of 24 October 1995, the Committee:

took note:

- that eight Members (Australia, Hungary, Korea, New Zealand, Romania, Switzerland, Turkey and Zimbabwe) had made notification of their national legislation (circulated in the G/VAL/N/1/- series), and expressed concern that many Members were not fulfilling their notification obligations.
- that forty-six developing country Members had invoked some or all of the special provisions available to the developing country Members (G/VAL/2/Rev.1);
- of the information on the "Treatment of Interest Charges" and "Carrier Media Bearing Software" circulated in document G/VAL/W/5;
- of the detailed oral report on the work of the first (2-6 October 1995) session of the Technical Committee of the WCO;
- of the current technical assistance activities on the basis of a summary note prepared by the WCO, which was circulated as Committee document G/VAL/4;

held its first annual review under Article 23, on the basis of a background note by the Secretariat (G/VAL/6).