

GENERAL AGREEMENT ON

RESTRICTED

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28 November 1991

TARIFFS AND TRADE

Limited Distribution

REPORT (1991) OF THE COMMITTEE ON CUSTOMS VALUATION

1. The Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade entered into force on 1 January 1981. The following are Parties to the Agreement and members of the Committee established under it: Argentina, Australia, Austria, Botswana, Brazil, Canada, Cyprus, Czech and Slovak Federal Republic, European Economic Community, Finland, Hong Kong, Hungary, India, Japan, Republic of Korea, Lesotho, Malawi, Mexico, New Zealand, Norway, Romania, South Africa, Sweden, Switzerland, Turkey, United States, Yugoslavia and Zimbabwe. In addition, Poland has accepted the Agreement subject to ratification.

2. The following contracting parties have observer status: Bangladesh, Cameroon, Chile, Colombia, Côte d'Ivoire, Cuba, Egypt, Indonesia, Israel, Malaysia, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Singapore, Sri Lanka, Thailand, Trinidad and Tobago and Zaire. Three non-contracting parties, Bulgaria, the People's Republic of China and Ecuador are also observers. In view of the special responsibilities and functions assigned to it under the Agreement, the Customs Co-operation Council has been accorded permanent observer status. Two other international organizations (IMF and UNCTAD) have attended the meetings of the Committee in an observer capacity.

Developments since the Committee's last report (7 December 1990)

3. During the period under review, the Committee has held two meetings:

- 7 February 1991 (VAL/M/27); and
- 13 November 1991 (VAL/M/28 to be issued).

4. During the reporting period, the Committee examined the implementation and administration of the Agreement by Australia, Cyprus and Malawi on the basis of written and oral information provided by those countries. It concluded its examination of the amendments concerning the legislation of the Republic of Korea, and took note of a modification of the Council Regulation of the European Communities. It took note of the comments made by a number of Parties regarding an amendment relating to the Customs Valuation Rules, 1988 of India. Discussions are to be pursued on this matter at the next meeting. The Committee will also revert to the implementing legislations of Argentina, Cyprus and Malawi at its forthcoming meeting. It agreed to return to the implementing legislation of Australia at future meetings if so requested by a Party.

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5. In response to a request by Zimbabwe under the provisions of Article 21.2 of the Agreement (VAL/42), the Committee has extended the period of delay in the application of the provisions of Article 1.2(b) (iii) and Article 6 of the Agreement by Zimbabwe by two years, beginning 1 January 1991. The Committee agreed that during the period of extension of delay, periodic progress reports on the steps taken to implement these provisions would be given to the Committee by Zimbabwe. The Committee took note of Zimbabwe's first progress report contained in document VAL/42/Add.1 at its meeting of 13 November 1991.

6. At its meeting of 13 November 1991, the Committee took note of the revised information, contained in document VAL/W/34/Rev.5, on the status of application of the Committee Decisions on the treatment of interest charges (VAL/6/Rev.1) and on the valuation of carrier media bearing software for data processing equipment (VAL/8).

7. Detailed oral reports on the work of the twentieth (8-12 October 1990), twenty-first (12-15 March 1991) and twenty-second (7-11 October 1991) sessions of the Technical Committee of the Customs Co-operation Council were presented to the meetings of the Committee on Customs Valuation. At the June 1990 session of the Customs Co-operation Council, the following instruments of the Technical Committee were approved: commentary on the application of Article 1, paragraph 2; case studies on the application of Article 8.1 (b); four examples to be added to the advisory opinion on currency conversion; commentary on the application of the deductive value; procedure for consideration of matters submitted to the Technical Committee. At its October 1990 meeting the Technical Committee adopted the following instruments, which were subsequently approved at the June 1991 session of the Customs Co-operation Council: commentary on activities undertaken by the buyer on his own account after purchase of the goods but before importation; commentary on buying commissions; case study on insurance premiums for warranty.

8. The Committee took note of current technical assistance activities on the basis of summary notes prepared by the Customs Co-operation Council, which were circulated as Committee documents VAL/W/29/Rev.5 and VAL/W/29/Rev.6. At its meeting of 13 November 1991, one Party informed the Committee of changes that will be introduced to the training course that it organizes for customs officers from developing countries.

9. The Committee considered a question raised by the Technical Committee relating to the linguistic consistency between the English, French and Spanish texts of the introductory sub-paragraph of Article 8.1(b). The Committee will revert to this matter at its next meeting.

10. On the basis of a background note by the secretariat (VAL/W/52), the Committee held its eleventh annual review under Article 26 at its meeting of 13 November 1991.