

**GENERAL AGREEMENT  
ON TARIFFS AND TRADE**

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**Committee on Customs Valuation**

**REPORT (1993) 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 Republic, European Economic Community, Finland, Hong Kong, Hungary, India, Japan, Republic of Korea, Lesotho, Malawi, Mexico, Morocco, New Zealand, Norway, Romania, Slovak Republic, South Africa, Sweden, Switzerland, Turkey, United States, Yugoslavia<sup>1</sup> and Zimbabwe. In addition, Poland and Bolivia have accepted the Agreement subject to ratification. Colombia has signed the Agreement, and is applying it on a provisional basis.

2. The following contracting parties have observer status: Bangladesh, Cameroon, Chile, Côte d'Ivoire, Cuba, Egypt, Indonesia, Israel, Malaysia, Nicaragua, Nigeria, Pakistan, Peru, Philippines, Singapore, Sri Lanka, Thailand, Trinidad and Tobago and Zaire. Five non-contracting parties, Bulgaria, Chinese Taipei, Ecuador, the People's Republic of China and the Russian Federation 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 (16 November 1992)**

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

- 5 May 1993 (VAL/M/31); and
- 12 October 1993 (VAL/M/32 to be issued)

4. At its meeting of 5 May 1993, the Committee welcomed Bolivia, the Czech Republic and the Slovak Republic as new members of the Agreement. Bolivia had accepted the Agreement on 27 January 1993, subject to ratification (VAL/45), and in its notification of acceptance had invoked the provisions of Article 21 of the Agreement. The Czech Republic (VAL/46) and the Slovak Republic (VAL/47) had notified their acceptance of the Agreement on the same terms as those accepted by the Czech and Slovak Federal Republic, and the Agreement had entered into force for the two Republics on 1 May 1993 under an accelerated procedure.

5. At its meeting of 12 October 1993, the Committee, in accordance with the Council decision of 16 June 1993 (C/M/264, page 3), agreed that the Federal Republic of Yugoslavia (Serbia and Montenegro) could not be considered the automatic successor state to the former Socialist Federal Republic of Yugoslavia. In response to a request circulated in document VAL/W/58, the Committee decided to grant observer status to Chinese Taipei. At that same meeting, Morocco was welcomed

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as a new member of the Agreement. Morocco had accepted the Agreement on 4 June 1993, and the Agreement had entered into force on 4 July 1993. In its notification of acceptance, Morocco had invoked the provisions of paragraphs 1 and 2 of Article 21, and paragraphs 4 and 5 of Section I of the Protocol (VAL/49).

6. Colombia signed the Agreement on 2 August 1993, and started applying it immediately on a provisional basis. Colombia has invoked the provisions of paragraphs 1 and 2 of Article 21 of the Agreement, and paragraphs 4 and 5 of Section I of the Protocol (VAL/51).

7. At its meeting of 5 May 1993, the Committee pursued its examination of the implementing legislations of Argentina, Romania and Mexico. An in-depth discussion was held on the Argentinian legislation on the basis of oral and written information provided by the Argentinian delegation. Clarifications were provided on a number of issues including on whose initiative "test values" were to be applied, the factors to be taken into account in connection with a relationship and the concept of "control" in a relationship. The Committee agreed to continue its examination of this legislation at its next meeting. Romania had notified Article 8 of the Romanian Government Decision No. 673/1991 to the Committee in 1992. This legislation established the cost-insurance-freight price of the imported good as the basis of customs valuation and the exchange rate to be used for the determination of the customs value. The Committee concluded its examination of the Romanian legislation without further discussion. The Committee also decided to revert to the legislation of Mexico at its next meeting.

8. At its meeting of 12 October 1993, the Committee examined additional legislative information submitted by Argentina, which was circulated in document VAL/1/Add.22/Suppl.3. The Committee took note of the various comments made and agreed to revert to this agenda item at the next meeting. With respect to the Mexican legislation circulated in document VAL/1/Add.25/Suppl.2, the Committee was informed that written questions and comments had been submitted by various delegations to the Mexican delegation. Mexico stated that written answers had been prepared for most of the questions, and the various comments made had been studied carefully and would be taken into account in the forthcoming modifications to be introduced into Mexico's legislation. Clarification was also provided on a point raised by Hong Kong regarding the appearance in the Official Journal of Mexico dated 4 August 1993 of a list of reference prices in US dollars. The Committee took note of the various points raised and explanations furnished and agreed to revert to this agenda item at the next meeting.

9. Detailed oral reports on the work of the Twenty-Fifth (29 March-2 April 1993) and Twenty-Sixth Sessions (4-8 October 1993) of the Technical Committee of the Customs Co-operation Council were presented to the meetings of the Committee on Customs Valuation. At its meeting of 5 May 1993, following a request from one delegation and some exchange of views, the Committee agreed to send a case study adopted by the Technical Committee during its Twenty-Fifth Session and relating to the issue of "price actually paid or payable" back to the Technical Committee for further consideration. The Technical Committee at its Twenty-Sixth Session adopted the aforementioned case study with certain amendments, and seven draft advisory opinions which illustrated the application of Article 8.1(c).

10. The Committee took note of current technical assistance activities on the basis of a summary note prepared by the Customs Co-operation Council, which was circulated as Committee document VAL/W/29/Rev.8.

11. The Committee took note of the information contained in document VAL/W/57 which listed documents that had been derestricted as of 10 March 1993.

12. On the basis of a background note by the Secretariat (VAL/W/59), the Committee held its thirteenth annual review under Article 26 at its meeting of 12 October 1993.