

**GENERAL AGREEMENT
ON TARIFFS AND TRADE**

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REPORT (1994) 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 1991. 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, Lesotho, Malawi, Mexico, Morocco, New Zealand, Norway, Peru, Republic of Korea, Romania, Slovak Republic, Slovenia, South Africa, Sweden, Switzerland, Turkey, United States, Yugoslavia¹ 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, Colombia, Côte d'Ivoire, Cuba, Egypt, Indonesia, Israel, Malaysia, Nicaragua, Nigeria, Pakistan, 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 (23 December 1993)

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

- 17 May 1994 (VAL/M/33); and
- 9 November 1994 (VAL/M/34 to be issued).

4. At its meeting of 17 May 1994, the Committee welcomed Peru as a new member of the Agreement. Peru had accepted the Agreement on 2 March 1994, and had invoked the provisions of Article 21 and paragraphs 3, 4 and 5 of Section I of the Protocol. The representative of Turkey informed the Committee that Turkey had started applying the Agreement on 12 February 1994, with the exception of paragraph 2 of Article 21, which would be applied in 1997. Turkey's customs valuation legislation which had been accordingly modified and which was almost identical to that of the European Communities, had been published in Turkey's Official Bulletin and would be notified to the Committee.

5. At its meeting of 9 November 1994, the Committee welcomed Slovenia as a new member of the Agreement. Slovenia had signed the Agreement on 7 November 1994, and in accordance with its Article 24, the Agreement will enter into force for Slovenia on 7 December 1994 (VAL/53).

¹"Yugoslavia" in this document refers to the former Socialist Federal Republic of Yugoslavia.

6. At its meeting of 17 May 1994, the Committee pursued its examination of the various implementing legislations. The Committee was informed that the entire Customs Code and the relevant articles and annexes from the Customs Code implementing provisions had been notified by the European Communities in accordance with paragraph 2 of Article 25 of the Agreement. These texts had been circulated in document VAL/1/Add.2/Suppl.13 and would be examined at the next Committee meeting. Questions were raised and clarifications provided on Argentina's legislation circulated in documents VAL/1/Add.22/Suppl.2/Rev.1 and Suppl.3. In addition, Argentina indicated that detailed written responses would be provided to the questions submitted very recently by the United States. The Committee took note of the statements made and agreed to revert to this item at the next meeting. With respect to the Mexican legislation circulated in document VAL/1/Add.25/Suppl.2, questions from Australia, Canada, United States and Hong Kong together with the responses had been circulated in documents VAL/W/60 and VAL/W/60/Add.1. The representative of Mexico informed the Committee that further modifications had been introduced to Mexico's customs legislation which essentially transformed the Mexican customs valuation system from a free-on-board to a cost-insurance-freight basis of valuation. These amendments were subsequently notified and circulated in document VAL/1/Add.25/Suppl.3. Several questions were raised on the legislation contained in document VAL/1/Add.25/Suppl.2 and the new amendments. Questions submitted by the United States on Mexico's legislation contained in document VAL/1/Add.25/Suppl.2 together with the responses were subsequently circulated in document VAL/W/60/Add.2. The Committee took note of the various points raised and the explanations furnished and agreed to revert to this agenda item at the next meeting.

7. At its meeting of 9 November 1994, the Committee was informed that, as promised at the last meeting and in accordance with paragraph 2 of Article 25, Turkey had notified regulations concerning customs valuation which were circulated in document VAL/1/Add.29. The Committee agreed to examine this document at the next meeting. Questions submitted by the United States on Argentina's legislation contained in documents VAL/1/Add.22/Suppl.2/Rev.1 and Suppl.3 together with the responses were circulated in document VAL/W/63. No further questions were raised on these texts. However, the Committee was informed that Argentina had notified additional legislation which was circulated in document VAL/1/Add.22/Suppl.4, and it agreed to revert to the examination of this text at its next meeting. A discussion on the amendments notified by Mexico, which were circulated in document VAL/1/Add.25/Suppl.3, took place. The Committee took note of the various points raised and explanations furnished and agreed to revert to this agenda item at its next meeting. As had been agreed at its last meeting, the Committee examined the texts submitted by the European Communities which were circulated in document VAL/1/Add.2/Suppl.13. Following clarification provided by the delegation of the European Communities to one general question, the Committee agreed to conclude its examination of this legislation.

8. The representative of the Customs Co-operation Council (CCC) informed the Committee that at its Eighty-Third/Eighty-Fourth Session, the Council of the CCC had decided to adopt a new informal name for the organisation - "World Customs Organization" (WCO) - to reflect the position of the Organization as the single international intergovernmental Organization dealing with customs issues. The Committee then took note of the detailed oral reports on the work of the Twenty-Seventh (21 - 25 March 1994) and Twenty-Eighth Sessions (3-7 October 1994) of the Technical Committee on Customs Valuation of the WCO which were presented to the meetings of the Committee. Clarification was provided by the representative of the WCO regarding a point raised on the monitoring of the Ministerial Decision Regarding Cases where Customs Administrations Have Reasons to Doubt the Truth or Accuracy of the Declared Value.

9. The Committee took note of the current technical assistance activities on the basis of a summary note prepared by the World Customs Organization, which was circulated as Committee document VAL/W/29/Rev.9.

10. The Committee took note of the information contained in document VAL/W/61 which listed documents that had been derestricted as of 10 March 1994.

11. On the basis of a background note by the Secretariat (VAL/W/62), the Committee held its fourteenth annual review under Article 26 at its meeting of 9 November 1994.