

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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VALUATION OF GOODS

Note by the United Nations Observer

In connection with the discussion of the possibility of adopting a standard system of valuation, it is desired to draw the attention of the Working Group to a resolution of the Economic and Social Council of the United Nations on the subject of valuation of goods for statistical purposes, [Resolution 469B of the Council's Fifteenth Session, April 1953] a copy of which is annexed to this note.

The Working Group may wish to consider the views of the Economic and Social Council on this question generally, since the implementation of these views largely depends on the definitions and procedures adopted for customs purposes.

In addition, however, this resolution appears to have a more direct relationship to the work of the Working Group. The Group is investigating the possibility of drawing up a standard definition for world-wide application of value for customs purposes, and as a first step is reviewing the steps taken by the contracting parties to give effect to the principles of Article VII. In one important respect, however, namely the time and place of valuation, Article VII appears to be less precise than such a standard definition would require, since it leaves this question to be determined by the legislation (and presumably the administrative regulations) of each country. At some stage of its deliberations, therefore, the Working Group may wish to consider the possibility of introducing a standard provision on this point. In this connection it may be noted that the resolution of the Economic and Social Council, while consistent with the provisions of Article VII, goes beyond the article on this question and includes a standard provision, namely that imports should be valued at the point where they enter the importing country. The Working Group may wish to consider the desirability of adopting this criterion for customs as well as statistical purposes.

It is hoped that any conclusions which the Working Group may reach on the general question of valuation, and on the particular question of the time and place of valuation, will not conflict with the views of the Economic and Social Council, but will support them.

ANNEX

Resolution 469B (XV) of the Economic and Social Council

The Economic and Social Council,

Taking note of the work done by the Statistical Commission at its fifth, sixth and seventh sessions, and of the comments received from governments and specialized agencies, on the subject of definitions and methods for external trade statistics,

Taking note that the use of the principle of the "transaction value", as defined⁽¹⁾ in the report of the Statistical Commission (Seventh Session), would substantially improve the accuracy, usefulness and comparability of external trade statistics for international purposes,

Recommends that the governments of Member States, wherever possible, follow this principle:

(a) by using "transaction values" in the compilation of their national statistics of external trade; or,

(b) where national practices are based on f.o.b. valuations of imports or other valuations, by endeavouring to provide supplementary statistical data based on this principle.

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(1) Definition of TRANSACTION VALUE given by the
Statistical Commission

The value for imports shall be the transaction value, that is to say, the value at which the goods were purchased by the importer plus the cost of transportation and insurance to the frontier of the importing country.

The value for exports shall be the transaction value, that is to say, the value at which the goods were sold by the exporter, including the cost of transportation and insurance to bring the goods on to the transporting vehicle at the frontier of the exporting country.

In the case of imports, import duties, internal taxes and similar charges imposed in the country of import shall be excluded from the transaction value. In the case of exports, export duties, internal taxes and similar charges imposed in the country of export shall be included insofar as they, in fact, remain charged on the goods exported.