

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Special Distribution

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Committee on Customs Valuation

## SECOND ANNUAL REVIEW OF THE IMPLEMENTATION AND OPERATION OF THE AGREEMENT

### Background Document by the Secretariat

Article 26 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade provides that "the Committee shall review annually the implementation and operation of this Agreement taking into account the objectives thereof. The Committee shall annually inform the CONTRACTING PARTIES to the GATT of developments during the period covered by such reviews".

The main objectives of the Agreement are those listed in the Preamble. The annual review of the Committee should cover the operation of the Agreement as a whole, as well as action by Parties to ensure proper implementation and operation of the Agreement in the light of its objectives and specific obligations.

This background document is circulated by the secretariat on its own responsibility with the aim of facilitating the preparations by governments for, and the conduct of, the second annual review to be held at the November meeting of the Committee.

The information contained in this document has been made available in the normal course of the Committee's work and gives the situation as per the date of this document. The document may need to be revised after the review session, to take into account any additional points in order to give a full picture of the Committee's activities in 1982. It is recalled that the first annual review, covering the activities of the Committee in 1981, is contained in document VAL/W/4/Rev.1.

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1. COMPOSITION OF THE COMMITTEE ON CUSTOMS VALUATION

Chairman: Mr. G.S. Sawhney (India)

Vice-Chairman: Mr. N. Kemmochi (Japan)

Signatories

Argentina <sup>1</sup>	Korea, Republic of
	New Zealand
Austria	Norway
Brazil	Romania
Canada	Spain
European Economic Community	Sweden
and its member States	Switzerland
Finland	United Kingdom for Hong Kong
Hungary	United States
India	Yugoslavia
Japan	

Observers

(i) Governments:

Australia	Nicaragua
Bangladesh	Nigeria
Bulgaria	Pakistan
Chile	Peru
Colombia	Philippines
Cuba	Poland
Czechoslovakia	Portugal
Ecuador	Singapore
Egypt	South Africa
Indonesia	Sri Lanka
Israel	Thailand
Ivory Coast	Trinidad and Tobago
Malaysia	Turkey
	Zaire

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<sup>1</sup> Subject to ratification

(ii) International Organizations:

Customs Co-operation Council (permanent observer)  
IMF  
UNCTAD

2. MEETINGS OF THE COMMITTEE

Since the first annual review, the Committee on Customs Valuation has held one meeting on 4-5 May 1982. Minutes of this meeting are contained in VAL/M/4; the Note by the Chairman is contained in L/5320.

3. DECISIONS TAKEN BY THE COMMITTEE  
[to be completed]

4. NATIONAL LEGISLATION PRESENTED

Since the first annual review, the following additional texts of national legislations were submitted in accordance with the decision adopted by the Committee at its meeting on 13 January 1981 (VAL/M/1, paragraph 37):

European Economic Community	VAL/1/Add.2/Suppl.3
New Zealand	VAL/1/Add.12

In addition, the Committee had a detailed discussion of the Canadian draft legislation (VAL/M/4, paragraphs 10-19).

Further replies to the revised checklist of issues (VAL/2/Rev.1) have been submitted by the following delegations:

New Zealand	VAL/2/Rev.1/Add.10
Romania	VAL/2/Rev.1/Add.9
Sweden	VAL/2/Rev.1/Add.2/Suppl.1

At the meeting held on 4-5 May 1982, the Committee held detailed discussions on the implementation and administration of the Agreement by the Parties (VAL/M/4, paragraphs 6-9 and 20-22).

5. RESERVATIONS ENTERED

The situation remains as described in the 1981 background document (VAL/W/4/Rev.1, paragraph 5) except that Yugoslavia has lifted its reservation under Article 21:1 of the Agreement and has implemented the Agreement as from 1 April 1982 (VAL/M/4, paragraph 4).

6. POSSIBLE AMENDMENTS AND RECTIFICATIONS TO THE TEXT OF THE AGREEMENT

At the third meeting of the Committee (VAL/M/3, paragraph 73), the Committee has agreed to take up the proposal by the European Economic Community for an agreed interpretation of the word "undertaken". It has been proposed that the Committee confirm by way of an agreed interpretation that in Article 8.1(b)(iv) the English word "undertaken"

was to be understood as meaning "carried out". Some delegations were still reserving their position on this matter. (VAL/M/4, paragraphs 28-35).

[to be completed]

7. POSSIBLE REQUIREMENTS FOR AMENDMENT OF THE AGREEMENT

The Committee had a first discussion of two proposals for an amendment to the Agreement concerning the valuation of computer software and the treatment of interest charges in the customs value of imported goods, which are contained in VAL/W/7 and VAL/W/8, respectively (VAL/M/4, paragraphs 37-46). In this connection, the Committee had a preliminary exchange of views on procedures for amendments to the Agreement under Article 27.

[to be completed]

8. LITIGATION IN NATIONAL OR SUPRANATIONAL COURTS ON THE TEXT OF THE AGREEMENT

No reports were received in this respect from the Parties.

9. TECHNICAL ASSISTANCE

This matter has continued to remain on the agenda as an important item of the Committee's work. Delegations from developed country Parties reported on technical assistance extended and expressed their willingness to assist developing countries also in the future.

[to be completed]

10. INFORMATION AND ADVICE FROM THE TECHNICAL COMMITTEE, AND GENERAL REPORT ON THE TECHNICAL COMMITTEE

A detailed oral report on the work of the third session of the Technical Committee was presented by the Chairman of that Committee (VAL/M/4, paragraph 28-30).

11. SUBSTANTIAL DIFFICULTIES ENCOUNTERED BY PARTIES IN APPLYING THE AGREEMENT

No substantial difficulties have been encountered by Parties in applying the Agreement.

12. CONSULTATION AND DISPUTE SETTLEMENT

No Party has requested consultations under Article 19 of the Agreement, nor have the provisions of Article 20 been resorted to.

13. PANELISTS

In accordance with paragraph 2 of Annex III of the Agreement that each Party shall be invited to indicate at the beginning of every year to the Chairman of the Committee the name(s) of one or two governmental experts whom the Parties would be willing to make available for panel

work, the following Parties have nominated persons who would be available to serve on panels: European Economic Community, Finland, India, Japan, Norway, Spain, Sweden, United Kingdom for Hong Kong, United States.

14. OTHER MATTERS DISCUSSED BY THE COMMITTEE RELATING TO IMPLEMENTATION

Use of various valuation methods by Parties

The Committee had an exchange of views on the question of collecting additional and more detailed information, including the volume of trade, on the basis of statistics collected by the Parties during an identical time period. It agreed to revert to this matter at its November meeting (VAL/M/4, paragraph 23).