

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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General Distribution

FIRST REPORT OF WORKING PARTY 5

V A L U A T I O N

1. At the Seventh Session the CONTRACTING PARTIES were requested to submit reports on the steps taken by them to give effect to the principles of Article VII of the General Agreement, and to describe the methods they apply in determining the value of imported goods for customs purposes. The reports submitted were circulated in document L/81, Addenda 1, 2 and 3. The Working Party examined the reports furnished, bearing in mind the fact that Article VII falls in Part II of the General Agreement and is therefore, under the terms of the Protocol of Provisional Application, only required to be complied with insofar as its principles are compatible with existing national legislation. Regard was also had to the fact that a number of countries had not replied to the Executive Secretary's request.
2. The Working Party made a comparative study of the replies received from the various governments. It was, however, found that the principles enunciated in Article VII are so complex that an adequate examination of the problems on these lines would not only have necessitated an exhaustive interpretation of the rules of Article VII but would also have required a thorough and searching study of each separate national valuation system to be undertaken. The particulars furnished in some of the contracting parties' replies did not purport to be more than summaries of the existing valuation systems and did not suffice for the purposes of a reliable test of their compatibility with the principles of Article VII.
3. The Working Party was very conscious of the importance of this subject and considered that a report based only on the document at the disposal of the Working Party would be only of limited use and might have positive disadvantages. There would be a risk that the report would come to be regarded as the result of a more thorough investigation of the facts than had in fact been undertaken. In these circumstances the Working Party has reached the conclusion that it would be better not to present to the CONTRACTING PARTIES any commentary on the information furnished by governments, or to attempt any definitive assessment of the extent to which contracting parties' valuation systems are in conformity with the principles of Article VII of the General Agreement.
4. The Working Party recommends to the CONTRACTING PARTIES that the study of the valuation for customs purposes should be pursued, and accordingly to request the Intersessional Committee to consider what aspects of valuation should be examined, and to what end, and also consider appropriate methods by which such steps could be examined.