

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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VALUATION FOR CUSTOMS PURPOSES

Questionnaire for the Ninth Session

Statements received from Governments

Addendum

C A N A D A (additional statement)

Question 13.

Since the scope of the questionnaire has now been broadened by the addition of the question contained in W.9/34, the Canadian delegation wishes to submit the following supplementary information.

- (i) Many Canadian exporters, like those in the United States and other countries, normally sell in both domestic and export markets at more than one price, depending on the class of trade. Sales are normally made to the wholesale trade at a discounted price and to the retail trade at a list price.

Under United States valuation laws, sales to the wholesale trade at discounted prices are not accepted as a basis for establishing value for duty when such prices are limited to wholesalers. Instead, the duties are assessed on the price to the retail trade, although such value is often higher than the actual value at which the goods were purchased by the importing wholesaler and is also higher than the value at which they are sold in the domestic market at wholesale.

- (ii) Canadian exporters have also encountered serious difficulties resulting from United States methods of establishing values for duty in cases when prices depend on quantity. Under United States practices, the value for duty is based on the price at which the greatest number of sales are made. This procedure does not attempt to establish at what price the greatest volume of business is transacted.

Many manufactures make numerous sales in relatively small quantities. These sales often account for a relatively small percentage of total value of business. The price at which such sales are made is thus often not representative of the price at which the largest volume of trade is transacted.

