

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/228/Add.6

21 January 1955

Limited Distribution

CONTRACTING PARTIES
Ninth Session

VALUATION FOR CUSTOMS PURPOSES

Questionnaire for the Ninth Session

Addendum

The Technical Group proposed to the Review Working Party II to add to the Valuation Questionnaire (L/228) the following question 3(a):

"Do you base your valuation for duty on the value of (a) the merchandise actually imported, or (b) like merchandise? If (b) do you use the price at which the merchandise is generally sold or offered for sale to the equivalent class of trade, e.g. jobbers, wholesalers, retailers, etc.?"

Replies have been received from the following governments¹ and are reproduced herewith:

<u>Country</u>	<u>Page</u>	<u>Country</u>	<u>Page</u>
Australia	2	Italy	4
Austria	2	The Netherlands	4
Canada	2	New Zealand	5
Czechoslovakia	2	Pakistan	5
Denmark	3	Federation of Rhodesia and Nyasaland	5
Finland	3	Sweden	5
France	3	Union of South Africa	6
Federal Republic of Germany	3	United Kingdom	6
India	4	United States	6
Indonesia	4		

¹ For a further reply to this additional question see: L/228/Add.5, (page 3) Chile.

A U S T R A L I A

The value of like merchandise is used in the Australian valuation system to the extent that the alternative valuation basis of "current domestic value" is used.

Current domestic value is defined as "the amount for which the seller of the goods to the purchaser in Australia is selling or would be prepared to sell for cash, at the date of exportation of those goods, the same quantity of identically similar goods to any and every purchaser in the country of export for consumption in that country".

The effect of the term "any and every purchaser" and the qualification as to quantity is to result generally in the acceptance of the price at which the goods usually are sold or offered for sale to the equivalent class of trade.

A U S T R I A

The valuation for duty is based on the price which a merchandise of a like category and quality would fetch within the Austrian customs territory. Therefore, alternative (b) applies to the Austrian case. In determining this price the relevant Austrian customs rules take into account the respective class of trade.

C A N A D A

1. (a) or (b), as may be required under the provisions of Section 35(1) of the Customs Act, quoted above.
2. Canadian valuations are based on the price at which the merchandise is sold to the equivalent class of trade in the country from which imported - e.g. importations in wholesale quantities are valued at the wholesale price even though the vendor may also sell in small quantities and at higher prices in the home market.

C Z E C H O S L O V A K I A
(Translation)

According to Czechoslovak regulations, valuation for customs purposes is based on the value of the merchandise actually imported.

D E N M A R K

In answering the question put forward by the Technical Group on Customs Administration in W.9/34 of 24 November 1954 the Danish delegation would like to state that in Denmark the valuation for duty is based on the value of the merchandise actually imported.

F I N L A N D

As a rule the dutiable value is based on the purchase price abroad at the place of sale of the goods actually imported into Finland, i.e., the price given in the commercial invoice. Where the goods are not purchased, the dutiable value is based on the normal market price of similar goods abroad at the place of despatch. In special cases explained in point 8 of the report by the Government of Finland to the questionnaire GATT L/228 dated 20 September 1954, and document L/228/Add.2 dated 24 November 1954, page 5, the dutiable value is deemed to be the price of identical goods not cleared through the Customs at the place of import, i.e., the c.i.f. price of similar goods. There are no more detailed provisions in this respect, but in practice the c.i.f. price calculated according to the whole-sale price, is taken into account.

F R A N C E
(Translation)

In France, valuation for customs purposes is based on the value of the merchandise actually imported.

FEDERAL REPUBLIC OF GERMANY
(Translation)

In Germany, the legal provisions relating to valuation for customs purposes are based on the Brussels Definition of Value and consequently permit only one method of valuation.

In accordance with that method, valuation for customs purposes is based on the value of the merchandise actually imported. German legislation provides that valuation for duty should be established with due regard to the commercial conditions in which the transaction in question was carried out.

I N D I A

- (a) In India valuation for duty is based, in the great majority of cases, on the invoice value of the merchandise actually imported. If the invoice value is not accepted because it does not represent the real value as defined in Section 30(b) assessment is made on such value of like merchandise.
- (b) The words "could be imported" in Section 30(b) of the Sea Customs Act are interpreted as meaning the lowest cost at which the goods could be imported. This would naturally be the price of goods imported by wholesalers from wholesalers and would be applicable to imports in other circumstances too.

I N D O N E S I A

The valuation for duty is based on the value of the merchandise actually imported. (Reference is made to the reply in document L/228, questions 3 and 8.)

I T A L Y
(Translation)

As stated in reply to Question 9 of Questionnaire L/228, the Italian legal requirements - which contain the wording of the Brussels Definition - constitute a single rule covering all valuation operations, and no alternative methods may be used.

In Italy, therefore, valuation for duty is always based on the value of the merchandise actually imported, as declared to the customs service for purposes of assessment.

T H E N E T H E R L A N D S
(Translation)

The Netherlands regulations which contain the Brussels Definition provide the sole criteria on which all valuations must be based, and no alternative methods may be used.

In The Netherlands, therefore, valuation for customs purposes is based on the value of the merchandise actually imported and to be assessed.

NEW ZEALAND

Valuation for duty is based on the fair market value of identical goods when sold for cash in the ordinary course of business for home consumption in the principal markets of the country of export at the time of exportation. Generally the price used is that at which identical goods are sold to wholesalers in the country of export. Where goods are sold only to retailers in the country of export, that price becomes the basis for duty.

PAKISTAN

In Pakistan the valuation, in almost all cases, is based on the cost of delivery of goods of like kind and quality. The class of trade, e.g. jobbers, wholesalers, retailers, etc., to which the importer belongs does not form the basis.

FEDERATION OF RHODESIA AND NYASALAND

It is necessary to state that the Federation's Customs laws and regulations have not yet been finalized and the following replies indicate the position in Southern Rhodesia meanwhile operating within the terms of its existing laws. The position is substantially the same in Northern Rhodesia.

The value for duty purposes of merchandise is basically the current domestic value of such merchandise provided that this value is not less than the free-on-board price of the goods to the importer.

- (a) In cases where the f.o.b. value is used the valuation for duty is based on the value of the merchandise actually imported.
- (b) In cases where the current domestic value is used, the valuation for duty is the price of the like goods offered for sale to all purchasers in wholesale quantities in the ordinary course of trade in the domestic markets of the exporting country.

SWEDEN

In Sweden, the valuation for duty is based on the value of the merchandise actually imported.



UNION OF SOUTH AFRICA

- (a) Valuation is based on selling price (free-on-board cost) of merchandise actually imported in those instances where such exceeds the domestic value as defined in legislation.
- (b) It is the practice to assess duty on domestic value of merchandise or of like (i.e., precisely the same) merchandise in instances where conditions prescribed in definitions of domestic value are present. Where, however, goods are sold in countries of exportation under such conditions that no domestic value thereof can be calculated in terms of the definition of value, similar as opposed to like merchandise is utilized for purposes of value determination under Section 89 2) of the Customs Act. The class of trade importer in South Africa, whether wholesaler, retailer, etc., has no bearing on the domestic value for duty purposes; for such is related to wholesale quantities in the ordinary course of trade to all purchasers in the principal markets of the country of exportation.

UNITED KINGDOM

The valuation for duty is based on the value of the merchandise actually imported.

UNITED STATES

Attached to the answers of the United States to the valuation questionnaire was a copy of Section 402, Tariff Act of 1930, as amended, which relates to the valuation of merchandise imported into the United States. It will be noted that paragraphs (c), Foreign Value, and (d), Export Value, both refer to such or similar merchandise.

Such merchandise is the merchandise undergoing appraisement and other merchandise which is identical therewith. Similarity of merchandise is not dependent upon appearance but upon similarity of materials, processing, cost, use, and commercial interchangeability. Resort cannot be had to the value of similar merchandise unless the statutory basis of value under consideration does not exist for such merchandise. If a statutory value exists under a particular basis for both such and similar merchandise, the value under that basis for such merchandise establishes the proper appraised value, rather than a higher value for similar merchandise. In determining whether export of foreign value is higher, the statutory values of such merchandise must first be compared. Only if there is no statutory value for such merchandise under one of the definitions shall a value under that definition for similar merchandise be compared with the value under the other definition for such merchandise.

As indicated, with respect to the question of level of trade, valuation for duty purposes is determined by the same criteria, whether the merchandise is such or similar.