

GENERAL AGREEMENT ON

RESTRICTED

L/6263

1 December 1987

TARIFFS AND TRADE

Limited Distribution

COMMITTEE ON CUSTOMS VALUATION

Meeting of 9 November 1987

Note by the Chairman

1. The Committee welcomed Mexico and Zimbabwe as signatories. It noted that Mexico would delay the application of the Agreement for a period of five years after the ratification of its acceptance (VAL/31); that Zimbabwe would implement the Agreement with effect from 1 January 1988 (VAL/32); and that acceptance by both countries was subject to reservations under Article 21.2 and Sections 1:4 and 1:5 of the Protocol.

2. The Committee heard a detailed report on the thirteenth meeting of the Technical Committee on Customs Valuation held on 5-8 October 1987. At this meeting the Technical Committee had adopted two instruments relating to technical matters: a commentary on the application of the decision of the Committee on Customs Valuation on the valuation of carrier media bearing software for data processing equipment (VAL/8), and an advisory opinion on the conversion of currency in cases where a contract provided for a fixed rate of exchange.

3. In connection with implementation and administration of the Agreement, the Committee took note of information submitted orally and in writing by Argentina. It was informed by one Party about consultations held with Brazil under the terms of paragraph 2 of the decision on Brazil's reservation concerning the removal of several items from the list of products subject to minimum values and reference prices (VAL/25 and VAL/M/18). The Committee agreed to revert to the implementing legislation of Argentina and Brazil at its next meeting on the basis of exchange of questions as usual. The Committee noted that the national legislations of Czechoslovakia and the Republic of Korea were subject to further modifications. In this connection, the Committee encouraged these Parties to take into account suggestions by some Parties that certain rectifications be made. It will revert to the legislation of these two Parties in this respect, should this prove necessary. The Committee also noted that the Indian legislative had not been able to complete the procedures for the enactment of the amendments to the Customs Act within the extended period of delay i.e. by 1 October 1987; India would bring its implementing legislation into conformity with the provisions of the Agreement in the near future. The Committee completed the examination of the national legislation of Lesotho.

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4. The Committee took note of the status of information on the date of application by Parties of its decisions on interest charges (VAL/6/Rev.1) and computer software (VAL/8) and urged the Parties which had not done so to furnish the required information for circulation in future revisions to VAL/W/34.

5. The Committee noted the continued concern of several Parties regarding certain aspects of pre-shipment inspection practices which in their view seemed to be inconsistent with the Agreement. While the services of the pre-shipment companies of concern were employed by countries not Parties to the Agreement, given the impact of their activities on exports of Parties to the Agreement, the Committee agreed to keep the matter on the agenda pending the examination of the broader trade issues in an appropriate forum. In connection with this subject, the Committee was informed that a meeting of national customs authorities from fifteen South American countries and from Spain and Portugal, held in Ecuador in October 1987, had adopted a number of conclusions and recommendations which, in essence, aimed at eliminating the adverse effects of third party intervention in customs valuation.

6. The Committee took note of statements made on technical assistance programmes provided at the bilateral as well as at the regional level.

7. The Committee noted that as from 28 August 1987 Botswana, which had acceded to the Agreement on 12 September 1984 under Article 22.3, had become a contracting party to the General Agreement.

8. The Committee was informed that Papua New Guinea had adopted a revised valuation system based on the Customs Valuation Agreement with effect from 1 July 1987.

9. In order to provide the Group on MTN Agreements and Arrangements (NG8) with information on its work, the Committee authorized the Chairman to transmit to the NG8 the notes by the Chairman, issued in the L/-series of documents after each meeting of the Committee. It was agreed to revert at the next meeting to various suggestions concerning ways in which the Committee might contribute to the discussion of issues relating to customs valuation in the NG8 and ensure transparency on particular aspects of its work. In connection with a proposal by India to the NG8, some Parties expressed the view that the implementation of Article 17 had not been a problem for countries actually applying the Agreement and that therefore they saw no need for amendments in this respect as suggested.

10. The Committee held its seventh annual review of the implementation and operation of the Agreement on the basis of a background note circulated in VAL/W/45 (to be revised and issued in VAL/-series). It also adopted its Report (1987) to the CONTRACTING PARTIES under Article 26 of the Agreement (issued as L/6266).

11. The Committee will hold its next meeting on 3 May 1988.