

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/NTM/13
23 March 1976

Special Distribution

Multilateral Trade Negotiations

Group "Non-Tariff Measures"

Sub-Group "Customs Matters"

MEETING OF MARCH 1976

Summing up by the Chairman

1. The Sub-Group met on 16-19 March 1976. It invited the Secretary General of UNCTAD or his representative to attend this meeting of the Sub-Group as an observer. It also invited a representative of the Customs Co-operation Council to attend this meeting of the Sub-Group as an observer to assist the Sub-Group in an expert capacity.
 - A. Customs valuation
 2. One delegation stated its government's intention to adopt the Brussels Definition of Value for customs purposes and that this change was to be considered as one of that country's measures towards trade liberalization and a contribution to the Multilateral Trade Negotiations. This statement was welcomed by a number of other delegations. Certain other delegations expressed reservations about this statement.
 3. The Sub-Group had a further discussion on the main elements of possible new international rules or principles on customs valuation and in particular on the four specific issues enumerated in paragraph 2 of MTN/NTM/7.
 4. There was general agreement that judicial and administrative review procedures should be included as an important element in possible new international rules and principles on customs valuation. The view was also expressed that these procedures might provide for three steps: review at the administrative level, informal arbitration, and if no satisfactory solution was reached at those levels, appeal at the judicial level. The view was also expressed that full harmonization of these procedures would be desirable but differences in existing legal systems could not be disregarded.
 5. There was also agreement that all valuation laws, regulations and administrative rulings of general application should be published and made easily accessible to the public, in accordance with Article X:1 of the General Agreement. The view was expressed that administrative decisions concerning individual transactions and not establishing a precedent should of course be disclosed only to the parties directly concerned.

6. Several opinions were expressed concerning the problem of precise and fair handling of non-arm's length transactions and on neutrality of valuation systems. There was a general feeling that these problems needed further clarification and should be discussed in detail at a subsequent meeting.

7. The Sub-Group had also a preliminary exchange of views on the following elements:

- consistency with commercial practices
- simplicity
- precision

and agreed to revert to these elements at a later stage.

8. The Sub-Group agreed that the secretariat prepare a working paper, in consultation with delegations, and for distribution in mid-June 1976 containing a checklist of issues raised and of possible elements that may be included in any new set of international rules or principles on customs valuation to be adopted in the context of the multilateral trade negotiations. This paper should be based on written submissions by delegations reproduced in MTN/NTM/W/20 and Addenda and MTN/NTM/W/33 and Addenda (including any additional comments delegations would submit in writing to the secretariat by 31 May 1976) as well as the relevant GATT provisions, the draft principles and draft interpretative notes worked out by Working Group 2 of the Committee on Trade in Industrial Products (Annex 1 to MTN/NTM/W/7). The Sub-Group also agreed that this document would constitute a basis for bilateral consultations and for the further discussion in the Sub-Group.

B. Import documentation

9. The Sub-Group had an exchange of views on the ECE Recommendation on the Aligned Invoice Layout Key. Many delegations welcomed this recommendation and expressed the view that adoption of this Recommendation would be the most appropriate way to achieve the simplification and harmonization of import documents. There was consensus that work undertaken in the ECE was very useful and should be supported by countries participating in the MTN.

10. Several delegations reiterated their view that commercial invoices should be accepted by the importing country and that customs or consular invoices should consequently not be required but that in cases where national legislation required the existence of such invoices, these should be simplified and brought in line with the ECE Invoice Layout Key. Other delegations pointed to the need and usefulness of customs invoices under their national legal systems of customs valuation.

11. The Sub-Group had a further discussion on aspects of policy consideration underlying import documentation requirements on the basis of the MTN/NTM/W/22/Rev.1 and Add.1. A number of specific comments were made and further clarifications and explanations were given. Some delegations expressed the view that the Sub-Group should attempt to identify real barriers to trade rather than calling in question particular small requirements which are dealt with in other international bodies. A suggestion was made that the Sub-Group should agree on negative list of requirements which create obstacles to trade and should be abolished.

12. The Sub-Group stressed the need for bilateral consultations to be held in order to elucidate some points raised in document MTN/NTM/W/22/Rev.1.

13. The Sub-Group agreed to revert to this item at its next meeting.

C. Consular formalities and fees

14. The Sub-Group had an exchange of views on the question of consular formalities and fees. Many delegations reiterated their view that these measures created a real obstacle to international trade and should be eliminated. Certain delegations said that elimination of these measures would be a positive contribution to the MTN and that negotiating credit for such an action would be given.

15. Several delegations informed the Sub-Group that they had recently abolished consular formalities or simplified their application.

16. Some delegations which still maintained consular formalities explained why they considered the continued maintenance necessary; moreover, these delegations said that they did not consider consular formalities as real barriers to trade. In this context one delegation reiterated its reservation with respect to the draft interpretative note to Article VIII set out on page 20 of MTN/NTM/W/7 and reiterated that before considering the possibility of making any possible contribution in the context of the multilateral trade negotiations that delegation wished to know in detail what advantages these negotiations would result in for its country.

17. The secretariat was requested to keep MTN/NTM/W/36 up to date and the wish was reiterated that countries which had not yet done so be invited to give in writing the reasons for the continued existence of consular formalities and fees in their countries and possible problems associated with their abolition.

18. Certain delegations stated their intention to revert to this question at the next meeting.

D. Customs procedures

19. The Sub-Group had a further exchange of views on the question of delays incurred in the formal customs clearance processes (MTN/NTM/W/23) and agreed to revert to this question at its next meeting. The need for bilateral consultations was also stressed. The Sub-Group also reiterated its agreement that the question of penalties for errors might be taken up at a subsequent meeting.

Next meeting

20. The Sub-Group agreed that the date for the next meeting would be fixed by the Group "Non-Tariff Measures" at its April meeting.