

GENERAL AGREEMENT ON
TARIFFS AND TRADEMultilateral Trade Negotiations

Original: English

Group "Non-Tariff Measures"
Sub-Group "Customs Matters"CUSTOMS VALUATIONIndia

1. At its meeting of October 1975 the Sub-Group "Customs Matters" dealing with questions of customs valuation invited participants to transmit to the secretariat in writing by 31 January 1976 specific comments on the following points (MTN/NTM/7, paragraphs 2 and 3 and GATT/AIR/1226, paragraph 1):

- (a) judicial and administrative review procedures;
- (b) publication of laws, regulations and administrative decisions;
- (c) precise and fair handling of non-arm's length transactions;
- (d) neutrality of valuation system/systems.

2. A communication from India has been received and is reproduced hereunder.

(a) Judicial and administrative review procedures

India is in agreement with the view that any system of valuation and assessment must provide for remedies like refund, appeal and revision, etc. in the form of administrative procedures. In addition to these, there could be the normal judicial remedies available through courts in the country.

(b) Publication of laws, regulations and administrative decisions

India is in full agreement with the proposition that laws, rules and administrative decisions in regard to assessment and valuation should be available to the public. The Indian Customs Act, 1962 which is the basic statute and the Valuation Rules which

are statutory rules framed under the Act are already published documents available to the public. Important administrative decisions having general and direct interest to the trade are also published by issue of public notices. As regards administrative decisions affecting individual importers or exporters, these are made available to them free of cost.

(c) Precise and fair handling of non-arm's length transactions

In cases where invoiced value is not accepted, having regard to the special relationship between the importer and exporter, the assessable value is determined in accordance with the provisions of the Valuation Rules without making a distinction as to the source of supply, etc. If it is decided to load the invoice value for purposes of assessment a decision in this regard is given in the form of speaking order which fully explains the reasons for the loading and the same is also made available to the importers. These decisions are appealable and there is a further right to seek revision before the Government of India.

(d) Neutrality of valuation system/systems

India's valuation system is such that it does not discriminate between the classes of importers or exporters or between different sources of supply. It is truly neutral in character.