

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

Multilateral Trade Negotiations

Original: English/French

Group "Non-Tariff Measures"

Sub-Group "Customs Matters"

CUSTOMS VALUATION

European Communities

1. At its October 1976 meeting the Sub-Group "Customs Matters" requested the secretariat to circulate lists of issues which participants consider important for the discussion on rules on customs valuation which might be agreed upon in the Multilateral Trade Negotiations (MTN/NTM/23, paragraph 6).
2. A communication from European Communities has been received and is reproduced hereunder.

The Customs Sub-Group has agreed to study in detail possible rules on customs valuation which might be agreed in the MTN. In undertaking such studies, participating countries will wish to consider firstly, what questions are of sufficient importance in international trade to be covered in any future GATT rules, and secondly, what specific rules might be appropriate.

In order to provide a framework for a study of possible valuation rules, the European Communities submit the following list of suggested points for examination. The list is not intended to be exhaustive or to indicate solutions, but rather to ensure that all important issues are properly examined.

Valuation Rules - Points for Examination

1. Price

- 1.1 Concept - transaction price; normal price; domestic price in exporting country; price for export; domestic price in importing country
- 1.2 C.i.f.; f.o.b.; ex factory
- 1.3 Price at time of importation; price at time of exportation; price at time of contract
- 1.4 Commercial level
- 1.5 Discounts and rebates

2. Quantity

- 2.1 Quantity imported
- 2.2 Usual wholesale quantity
- 2.3 Quantity imported or usual wholesale quantity, whichever is lower
- 2.4 Quantity no less favourable than (GATT Article VII)

3. Normal transaction

- 3.1 Definition of normal transaction
- 3.2 Open market; fully competitive conditions

4. Particular problems

- 4.1 Associated houses
- 4.2 Sole distributors and sole concessionaires
- 4.3 Agency importations
- 4.4 Branches

5. Valuation methods

- 5.1 Invoice price
- 5.2 Deductive method
- 5.3 Price constructed from cost of production
- 5.4 Like (similar) comparable goods in exporting country
- 5.5 Like (similar) comparable goods in importing country
- 5.6 Nearest ascertainable equivalent
- 5.7 Exercise of discretion by customs
- 5.8 Decision by a Minister

6. Particular elements of value

- 6.1 Advertising costs
- 6.2 Trade marks
- 6.3 Patent and licence fees
- 6.4 Royalties
- 6.5 Rights of reproduction

7. Includable costs, charges and expenses

8. Excludable costs, charges and expenses

9. Currency conversion

10. Hiring/leasing

11. Value of goods processed or repaired abroad

12. Value of goods made up from exported plans or designs

13. Appeals and settlement of disputes

14. Miscellaneous questions

Goods on consignment, warehoused goods, barter and compensation deal, goods resold before importation etc.