
Committee on Customs Valuation

**SRI LANKA – DECISION CONCERNING PARAGRAPH 2 OF
ANNEX III OF THE AGREEMENT ON IMPLEMENTATION
OF ARTICLE VII OF THE GENERAL AGREEMENT
ON TARIFFS AND TRADE 1994**

Decision

TAKING into account Sri Lanka's request¹ for a reservation under paragraph 2 of Annex III of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (Customs Valuation Agreement);

NOTING that Sri Lanka was a contracting party to the WTO Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (Customs Valuation Agreement) and invoked paragraph 1, Article 20 of that Agreement on 21 July 1995 and was therefore scheduled originally to apply the provisions of the Agreement on 21 July 2000;

NOTING that Sri Lanka was granted a one-year delay in its application of the provisions of the WTO Agreement on Customs Valuation from 1 January 2000 to 1 January 2001², and, due to unforeseen developments, was granted further delays until 31 October 2001³, 30 April 2002⁴ and 31 October 2002⁵;

NOTING Sri Lanka's long-standing commitment and considerable efforts in reforming and modernizing its customs administration and in ensuring the effective implementation and administration of the WTO Agreement on Customs Valuation;

NOTING that, in all other regards, Sri Lanka will implement fully the Customs Valuation Agreement from 28 February 2003;

NOTING that Sri Lanka implemented and applied by 28 February 2003 Paragraph 2 of the Decision on the Valuation of Carrier Media Bearing Software for Data Processing Equipment⁶;

NOTING that the Government of Sri Lanka does not use or plan to use preshipment inspection services in customs administration and valuation;

NOTING the good cause for Sri Lanka's request to maintain minimum values on certain products as set out in G/VAL/W/118 and its intention to make this a reservation on a limited and transitional basis;

¹ G/VAL/W/118.

² G/VAL/23.

³ G/VAL/41.

⁴ G/VAL/42.

⁵ G/VAL/46.

⁶ G/VAL/5.

NOTING that this reservation to maintain minimum values will apply only to the following goods:

<u>Description</u>	<u>HS Tariff Code</u>
Used tractors	ex 87.01
Used motor vehicles for transport of 10 or more persons	ex 87.02
Used motor cars and other used motor vehicles principally designed for transport of persons (other than those of tariff heading 87.02) including used station wagons and used racing cars	ex 87.03
Used motor vehicles for the transport of goods	ex 87.04
Used motor cycles	ex 87.11

NOTING that these minimum values will be used primarily for the purpose of addressing under-valuation problems;

NOTING that Sri Lanka will not submit a future request to maintain minimum values for other goods;

The Committee decides pursuant to paragraph 2 of Annex III of the Agreement and paragraph 1 of the Ministerial Decision on Texts Relating to Minimum Values and Imports by Sole Agents, Sole Distributors and Sole Concessionaires, adopted by the Committee in May 1995, that Sri Lanka may continue to use officially-established minimum values for the valuation for customs purposes until 28 February 2005 for the above mentioned used motor vehicles and motor cycles classified under HS ex 87.01-87.04 and ex 87.11, according to the following terms and conditions:

1. Sri Lanka will report on the status of its implementation of officially established minimum values for the products identified above and present a work plan for the phase-out of those minimum values to the Committee on Customs Valuation by 28 February 2004;
2. Sri Lanka will not apply minimum values to additional products;
3. Sri Lanka will, by no later than 1 September 2003, publish and make publicly available, in accordance with Article X of the General Agreement on Tariffs and Trade 1994, the basis, criteria and other relevant information for determining the minimum values for the above-mentioned products;
4. Sri Lanka will notify the Committee on Customs Valuation of any amendments or changes to the above-mentioned data sources, methodologies, basis, criteria and other relevant information 60 days before implementing such changes, and will not apply such changes to importations entering its customs territory prior to the completion of this 60-day notification period;
5. This Decision shall not prejudice the rights and obligations of Sri Lanka under the WTO Agreements, in particular those rights and obligations under the Customs Valuation Agreement.
