
Committee on Customs Valuation

MINUTES OF THE MEETING OF 23 MAY AND 22 JULY 2003

Chairman: Mr. Raimundas Karoblis (Lithuania) (23 May)

Chairman: Mr. Ivan Lee (Hong Kong, China) (22 July)

The agenda proposed for the meeting, circulated in WTO/AIR/2101 was adopted as follows:

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I. REPORT OF THE WORK OF THE TECHNICAL COMMITTEE ON CUSTOMS VALUATION

1.1 The observer of the World Customs Organization reported, on behalf of the Chairman of the Technical Committee, on the activities of the Technical Committee (hereafter, the TCCV) which is contained in Annex I to this report.

1.2 The Committee took note of the report.

II. PARAGRAPH 12 OF THE DOHA MINISTERIAL DECLARATION (WT/MIN(01)/DEC/1): IMPLEMENTATION-RELATED ISSUES

- *Paragraph 8.3 of document WT/MIN(01)/17*

2.1 The Committee addressed this item in informal mode. It agreed to reproduce the statements made during the informal meeting in the minutes of the formal meeting. These statements are contained below.

2.2 The Chairman recalled that the Committee engaged in considerable discussion last year pursuant to its mandate in paragraph 8.3. In this context, three proposals were received. One from India in document G/VAL/W/102, one from Canada in G/VAL/W/110 and one from the European Communities in G/VAL/W/112. In addition, Mexico submitted questions to India on its proposal which were circulated in G/VAL/W/104. India provided oral responses reproduced in the minutes of the 4-5 November 2002 meeting in G/VAL/M/32 and Corr.1.

2.3 At the end of last year, as required in the mandate, the Committee submitted its report to the General Council, circulated in G/VAL/50. Annexed to this report were terms of reference for the TCCV to provide technical input and advice on elements of the Committee's work to assist the Committee in further evaluating the submissions and views. The TCCV was requested to provide this technical input by 15 May 2003. The Chairwoman of the TCCV communicated the response to him, as Chair of this Committee, which had been circulated in G/VAL/54. Therefore, the Committee had in front of it the three proposals by India, Canada and the EC, the Mexican questions and Indian responses provided, its report to the General Council including the terms of reference, and the recently received response from the TCCV, circulated in G/VAL/54. He asked for Members' views on the latest submission and on how they wish to proceed on this matter.

2.4 The representative of India recalled that paragraph 8.3 of the Doha Ministerial Decision was binding on exporting Member countries to offer cooperation and assistance, including furnishing information on export values of goods concerned. Any information provided in this context would be treated in accordance with Article 10 of the Agreement. The Committee's work to date focused on arriving at a practical mechanism to implement the Decision, in particular, the format and procedure for exchange of information. In this regard, he recalled that India had submitted a detailed proposal on this issue (G/VAL/W/102). He noted that the TCCV response showed that it had, in principle, no objection to the requirement of an appropriate procedure for exchange of information. While there were differences in perception regarding the details of this mechanism, the TCCV report provided a good basis to carry the work forward in the Committee.

2.5 His delegation was pleased to note that, in paragraph 11, the TCCV had recognised that the bilateral approach was not the only nor the ideal solution, and that the multilateral approach for exchange of information would be preferable in many cases. No viable multilateral arrangement existed, as the Nairobi Convention was not successful. In fact, the Doha Decision itself emanated from this realisation. It was therefore essential, to carry the Decision forward, to have a binding mechanism for exchange of information. The TCCV report correctly pointed out several practical obstacles to the bilateral approach to information exchange. His delegation disagreed with the assertion in the report, based on a WCO survey (WCO Document VT0316), that the existing exchange of information arrangements were working satisfactorily. This was a misleading conclusion as the facts showed a different story. Only 22% of the respondents received full replies to their requests and in 62% of the cases the replies were delayed. The survey covered only one-third of the WCO Members. Further, the main purpose for the information exchanged was as evidence in judicial

proceedings. There was no indication in the survey report as to what extent exporting countries restrained disclosure of information in judicial proceedings.

2.6 He noted that the TCCV, with regard to Part A of the Indian proposal, was of the view that no rigid rules were needed regarding the details to be provided and that the key point was for the requesting administration to provide the minimum data elements needed to identify the export transaction. India's original proposal was simply aimed at ensuring that all relevant details were supplied to the requested administration all at once so as to avoid any delay in responding. His delegation still believed that having such well-defined data elements would, in the long run, help in a more efficient and faster exchange of information by precluding the need for the requested administration to seek any further data. It would also lessen the burden on the requested administration for repeated correspondence with the requesting administration before forwarding the requisite information. Therefore, his delegation still urged the Committee to consider adoption of Part A of the Indian proposal, as there seemed no concrete reason not to do so.

2.7 He added that the TCCV report also indicated that Part B of his delegation's proposed format was acceptable. Regarding Part C, there were differences of opinion regarding the proposed Disclosure of Information in Judicial Proceedings. The TCCV report appreciated the position of India and other delegations that "this point served as a reminder of Article 10 of the Valuation Agreement, which authorises disclosure of confidential information to the extent that it may be required to be disclosed in the context of judicial proceedings, even without the specific permission of the person or government providing such information. Those delegations also pointed out that paragraph 8.3 specifically referred to Article 10, and that the information exchanged would be of no use if it could not be used in judicial proceedings.". His delegation was, therefore, confused that the TCCV concluded that "confidentiality of information must be considered in accordance with the applicable confidentiality provisions.". His delegation understood these provisions to be Article 10 of the Agreement, which would be suitably reflected in the domestic customs laws of WTO Members. In this regard, he emphasised the fact that the Doha Ministerial Decision itself provided for exchange of such information within the framework of Article 10.

2.8 His delegation was also pleased that the TCCV had agreed on a method of communication between customs administrations and had recognised the usefulness of contact points for exchange of information on export values. However, he was disappointed that the TCCV had not favoured laying down a reasonable time-limit for furnishing information. This would have added to the efficiency of the information exchange mechanism and could have been sufficiently broad to take into account Members' concerns. He was pleased to note that the TCCV had finalised its examination of the WCO Guide to the Exchange of Customs Valuation Information (hereafter, the Guide), which had several positive elements in line with the Indian proposal. He asked for clarification regarding its formal status and would be happy to look at the appropriate features of this Guide to incorporate into the WTO framework. In this regard, he noted earlier concerns expressed regarding the burden on customs administration from routine requests for exchange of information. The WCO Guide had a checklist regarding valuation verification actions to be taken by the customs administration of an importing country before requesting information. His delegation would work constructively with other Members in adopting suitable elements of this checklist in the proposed WTO format with the caveat that such a checklist would be in the nature of a best endeavour procedure and the inability to carry out certain elements of the checklist would not entitle the exporting country to deny information solely on this ground. In addition, he strongly urged the Committee to take on board a monitoring mechanism through an annual reporting by Members of the number of request made for exchange of information and the responses received containing the requested information. This would be a welcome transparency exercise and would act as a barometer for the healthy working of this mechanism. Finally, he noted the intensive work carried out by the WCO and other international organisations on techniques and processes for value verification as well as capacity building measures to prevent valuation fraud. These suggested measures were for effective implementation of the

Valuation Agreement. However, it was a fact that valuation fraud continued to exist and the Doha Decision recognised this by calling for greater cooperation among administrations to prevent fraud. Hence, a binding procedure for exchange of information under the WTO framework would complement the existing measures listed in the TCCV report.

2.9 The representative of the United States, gave the floor to the outgoing Chair of the TCCV who clarified that the Guide was adopted by the TCCV. As foreseen under the Agreement, it was provided to the WTO Committee for appropriate action. It would then be sent back to the WCO for notification to the WCO Council. The Council would either adopt or request clarification or further work from the TCCV. Once adopted by the Council, it would be considered adopted by the WCO Members.

2.10 The representative of the European Communities considered the response from the TCCV an example of cooperation between international organisations on technical, practical and implementation matters and the efficient use of specialist institutions. His delegation considered the response comprehensive, in that it covered all the issues and did not avoid difficult questions or differences of views. The TCCV reached a conclusive and consensual result except where differences of views were noted. Further, the response was balanced and his delegation found it useful in providing a basis for customs administrations to assess their situation and identify corrective measures where necessary.

2.11 He noted that the questions raised and the responses provided were part of a dynamic process involving customs administrations and specialist organisations continuously upgrading the tools available to ensure the accuracy of the declared values. The overall theme was that administrations needed to be satisfied that the customs declarations and information presented to them were accurate. Customs' abilities to ensure accuracy and respond to non-accuracy were covered by the Agreement and supported by the tools described. His delegation found the response encouraging in that it presented a range of precise tools that every administration had to have and without which the issue of inaccurate customs declarations was going to be a problem. It was useful that a specialist body like the WCO and the TCCV, representing the coordinated analyses and views of all customs administrations, endorsed these tools as necessary to combat fraud and suspected fraud.

2.12 His delegation considered the Guide attached to the response a very positive contribution and could envisage its application in a number of situations. It set out a balanced approach for administrations to follow where they had put in place suitable arrangements for valuation information exchange. It represented a realistic and appropriate solution to sometimes complex administrative situations which needed to be addressed. In this regard, his delegation believed that forms for request for information exchange perhaps did not need to be the subject of a great deal of attention from this Committee. The overall structure presented in the response gave his delegation confidence that customs administrations were able to use good sense and their practical experience to adapt where necessary to the kind of tools and guidelines presented in the response. His delegation would come back to some specific points in the response later. At this stage, his delegation saw the overall content of the response as providing a substantial capacity for administrations to address the questions and deal with problems of inaccuracy of customs declarations.

2.13 The representative of Brazil reiterated his delegation's view that the fundamental decision on this issue had already been taken by Ministers in Doha. Paragraph 8.3 established the principle of cooperation among customs administrations, including information on the value of the good concerned, when there were reasonable grounds to doubt the truth or accuracy of the declared value. The task assigned to the Committee by Ministers was simply to "identify and assess practical means to address such concerns, including the exchange of information on export values". He regretted that after one year of work on this, the Committee seemed no closer to arriving at an agreement on the practical means to give effect to a Ministerial decision. The TCCV report reproduced, albeit at a more

technical level, the divergence of approaches that led to the Committee's lack of meaningful progress over the course of 2002. It failed to address the fundamental questions put to it. In view of this situation, he referred to this issue in the context of how the WTO was dealing with implementation-related issues in general.

2.14 He added that the issue of fraud in value declarations was a real problem affecting principally developing countries where tariffs were still relatively high - a situation which encouraged false declarations to evade the payment of duties. Responding to this problem with arguments that tariff liberalisation would solve the problem lacked sensitivity to the specific problems of developing countries that was at the root of the lack of progress on all implementation-related issues. The specific circumstances of developing countries gave rise to particular problems which Ministers recognised and to which, in this case, identified a solution – strengthening the cooperation arrangements between customs administrations to give developing countries the means to fight internally against fraud. The TCCV report itself recognised this in stating that one of the requirements was "a comprehensive sanctions regime to address non-compliance and support voluntary compliance". Developing countries, in essence, were seeking, means to give their internal sanctions regime some teeth, by allowing them to obtain evidence of fraud.

2.15 Another avenue that had been suggested, and which was commented on in the TCCV report, was a preferential emphasis on a bilateral approach. His delegation found it curious that a multilateral body, working towards giving effect to a multilateral decision at the Ministerial level, could conclude that bilateral agreements could solve the concerns. The questionnaire sent out by the WCO in preparation for the consideration by the TCCV of this question showed that there were still significant compliance problems with bilateral requests for information, including the complexities for customs administrations in dealing with multiple bilateral agreements. All this warranted a multilateral approach.

2.16 While his delegation had no essential difficulties with the structure of the TCCV "Guide to the Exchange of Customs Valuation Information," and considered that it could be a good basis for complying with the Committee's mandate, leaving the issue entirely to the WCO would have consequences. Developing countries could not be expected to accept that their concerns regarding existing WTO Agreements should be left to the technical auspices of the WCO and, at the same time, be convinced that certain priority issues of WTO Members be brought to the WTO for elaboration of binding rules. While his delegation would take the TCCV response into account in the work, it would not accept it as the final step.

2.17 The representative of Canada agreed that the TCCV response was comprehensive in its coverage and useful to the Committee's work on paragraph 8.3. His delegation recognized the legitimate nature of the concerns related to the accuracy of the declared value. The three proposals made in the context of the work last year by Canada, the EC and India identified practical means or avenues to address these concerns. The terms of reference to the TCCV were designed to seek the technical expertise of customs officers on these questions. His delegation found that the response provided an assessment of the practical means identified earlier by the Committee, as well as other possible means such as those taking place under the auspices of the WCO.

2.18 He elaborated key elements of the response. He noted that the TCCV, in response to the elements contained in the proposal in G/VAL/W/102, referred to the Guide to the Exchange of Customs Valuation and Information as a useful tool available to customs administrations to enhance the exchange of customs evaluation information. The TCCV also examined the sensitive issue of confidentiality where Article 10 of the Agreement should be the guide. It was important to find the appropriate balance between confidentiality requirements on one hand and strengthening cooperation as prescribed in paragraph 8.3 on the other hand. A second useful element noted in the TCCV response was the compilation of techniques and processes used by customs administrations to help in

ensuring the accuracy of the customs value. He noted in particular paragraph 12 and paragraphs 20-27 in this regard. Probably the most efficient way to ensure the accuracy of the customs value was to have the correct legislative and regulatory tools and framework in place. This was also where technical assistance and capacity building could be useful in putting in place these mechanisms and tools. Furthermore, his delegation noted the discussion of the bilateral versus multilateral approach for the exchange of information in the TCCV response.

2.19 The TCCV response also highlighted several tools that were being developed in the WCO to enhance the capacity or ability to address concerns on the accuracy of the declared value. In addition to the Guide, reference was made to the customs valuation control handbook, and the work on the Guidelines on the Development and Use of Valuation Databases. For these reasons, his delegation considered that the TCCV response went a long way to help achieve fulfilment of the Committee's mandate. Practical means existed which could be implemented that would serve more efficiently than a new binding mechanism to address the concerns expressed by several delegations, primarily India. The Committee should be guided by a desire to find the best way to address the concerns and not other considerations of linkages with other negotiating or implementation issues. His delegation was not convinced of the need for a binding instrument in this regard and did not see how releasing information under a mandatory requirement to share information on export values beyond the excellent level of cooperation that currently existed would help any country to address legitimate concerns about the accuracy of the declared value.

2.20 The representative of Colombia agreed that the TCCV response would be useful to the Committee's work under paragraph 8.3. Her delegation agreed that the Committee should continue to devote efforts towards achieving a multilateral binding solution which would facilitate the exchange of information on declared export values. This would be a practical solution to tackling fraud, which had an ever increasing effect on foreign trade operations in her country as well as developing countries in general. Bilateral solutions could assist, but were not the best solution. She asked for clarification of the last line in paragraph 6 of the TCCV response referring to confidentiality of information and treatment under Article 10 of the Agreement. Paragraph 6 raised the views of some countries as well as opposing views of others and her delegation was interested to know exactly what the conclusion was on this point.

2.21 The representative of Australia considered the TCCV report comprehensive and useful. Its overall thrust was consistent with the approach her delegation had taken on this issue, i.e. that tools and mechanisms already existed to deal with some Members' legitimate concerns. In particular, the TCCV report highlighted the usefulness of a bilateral approach to exchange of information without the need for multilateral rules. She further emphasised her delegation's view that the country of exportation should consent before its confidential information was used in judicial proceedings, as mentioned in paragraph 6 of the TCCV report. Article 10 could not be read to mean that a Member could do anything it wished with confidential information.

2.22 The representative of Chinese Taipei considered that the TCCV report was both comprehensive and balanced. The TCCV managed to demonstrate technical neutrality in presenting all the aspects of the issues, including several divergent ones. These included the bilateral or multilateral approach to the exchange of information, the interpretation of the confidentiality provisions, and the binding or non-binding nature of these possible mechanisms. These issues remained to be worked out by this Committee and the TCCV report would serve a useful basis for continued deliberations.

2.23 The representative of Hong Kong, China said that his delegation found the report detailed, comprehensive and professional. The report showed that there were numerous existing techniques or processes used by customs administrations to determine the value of goods, and many customs tools, mechanisms and practices developed or being developed to combat customs fraud, including fraud on

the declared value. Another observation was that domestic legislative and administrative infrastructure and strategies, as well as partnership with trade, were key to successful implementation of the Agreement, and that different cooperation and assistance activities were in place to help customs administrations build their capacity in this respect. Overall, the report provided a good basis for the Committee to continue work on this matter, bearing in mind the various existing techniques and also the concerns of various members on the need to protect confidentiality of the information provided.

2.24 The representative of the Philippines said that her delegation considered the report balanced. She added that the concerns being dealt with in paragraph 8.3 were real problems for the Philippines and, because of the technical assistance received from a number of countries, her government was in a position to combat them. However, a multilateral approach would help developing countries even more. Her delegation was bothered by the fact that delegations were being asked to consider a multilateral approach on trade facilitation whereas bilateral approaches were also helpful. She questioned why there was this divergence in approaches since the problems were the same. The TCCV report provided a good basis to move the work of the Committee forward. This work should not be passed to any another body.

2.25 The representative of Japan said that his delegation considered the TCCV report comprehensive and of a high quality. The advantage of the report, which contained a lot of information for policy makers, was that customs experts from his capital participated in the technical discussions. It provided a comprehensive list of the tools and mechanisms available for full implementation of the Agreement. Since this was agreed by the TCCV, it could form the basis for further work in the Committee. His delegation believed that, with the TCCV report and the work in 2002, the Committee had identified certain elements to fulfil its mandate to identify and assess practical means. His delegation considered that the Committee was close to fulfilling its mandate.

2.26 The representative of Singapore, shared the views of others on the high quality of the report; it was thorough and addressed all aspects of the problem. It also showed the importance of technical advice and expertise for the Committee to carry out its mandate. Her delegation found it important that the TCCV, in paragraph 2 of the report, recognised the importance for Member administrations to have the necessary legal and administrative framework for effective implementation of the Agreement. It was stated that these were necessary components in the examination of the practical means to fulfil the mandate in paragraph 8.3. Existing tools, mechanisms and practices reflected the underlying framework that the TCCV said was necessary for effective implementation of the Agreement. Capacity building and technical assistance were also part of the efforts to achieve these necessary components. The report would assist the Committee to conclude its mandate under paragraph 8.3 which, she noted, also recognised that the exchange of information or assistance required was to be consistent with domestic laws and regulations

2.27 The representative of the United States also noted her delegation's appreciation for the TCCV report. She was not clear as to what was meant by some Members' call for a multilateral format/mechanism/tool that would help address the problems effectively, nor by what one Member referred to as a binding tool. Her delegation emphasised the statement before the Committee's mandate to identify and assess, which her delegation considered a guiding principle for the Committee's work. The TCCV response highlighted a number of practical means to address the concerns, and effectively provided an assessment from the experts. To the extent that the first part of paragraph 8.3 and Article 10 of the Agreement was preserved, there were a lot of useful instruments and tools that members could use to solve problems in this area.

2.28 She drew Members' attention to a few paragraphs in the TCCV response and asked Members to consider how these references could be useful to the problems that they might be experiencing now or in the future. Paragraph 8 highlighted that the TCCV had finished its examination of the Guide to

the Exchange of Customs Valuation Information. Paragraph 12 listed a number of techniques and processes used by customs administrations in the final determination of value. Paragraph 14 discussed the customs valuation Control Handbook. Paragraphs 20 to 27 highlighted a number of other considerations that would provide useful input for policymakers. Paragraphs 30 and 31 discussed customs tools and mechanisms and paragraphs 38 and 39 discussed forms of technical assistance to assist Members in this area.

2.29 Her delegation had heard from other countries, including developing countries, that they were pleased with the work and that the adoption of the Guide could be sufficient for their present problems. With this background, she asked the Indian delegation to clarify what was actually intended by its proposal? Her question was designed to assist the Committee on the question of where it should go on the matter in light of the core elements of paragraph 8.3 and Article 10 of the Agreement which should not be diluted by further work. She also asked India to clarify what it had mentioned in terms of next steps. She was interested in linking these proposals with the TCCV response since the latter provided a framework and substance for an assessment of practical means. She also asked India to clarify what it meant by a monitoring mechanism. Her delegation was concerned that exchange of information on export values could involve a multitude of requests which might take a toll on the responding institution, depending on its competence and capacity. In discussing capacity of Members, the TCCV response had an entire section on technical assistance and capacity-building. However, would the proposal create new burdens because many of the problems noted were not necessarily between developed and developing but between developing countries. A multilateral approach might require careful consideration by developing countries on how they would implement it. She was not sure that a multilateral approach would provide a solution because the inputs still had to come from Members. Finally, her delegation considered that the problem faced here involved preservation of domestic laws and regulations concerning the treatment of information.

2.30 The representative of Switzerland also considered the TCCV response balanced and comprehensive. On the basis of the response, she highlighted two key elements. The first was the importance of a legislative and administrative framework for WTO Members. The second was the existence of practical means and tools to address the concerns expressed by Members. She reiterated the importance her delegation placed on the need for any exchange of information to be consistent with domestic laws and procedures.

2.31 The representative of Brazil reiterated that the idea behind a multilateral approach was not to institute a heavy or onerous institutional arrangement but to create a mechanism to facilitate the exchange of information. A common format, which respected the legal requirements of the Agreement, and took account of the problems recognized by Ministers, could help in combatting fraud. Common parameters for the communication between customs administrations would be easier than having different sets of instructions and guidelines for each trading partner.

2.32 The representative of India reiterated that her delegation's proposal in G/VAL/W/102 was in response to the Committee's mandate in paragraph 8.3 to address the concerns of some Members. The proposal was a way to carry the work under the mandate forward. Her delegation welcomed suggestions from Members on devising appropriate procedures for operationalizing paragraph 8.3 of the Ministerial Decision. She underlined that the concerns mentioned in paragraph 8.3 were genuine and were faced continuously by developing countries. Fraud took place in spite of the fact that these countries had the proper legislative frameworks in place. Her delegation viewed the TCCV response as input to the consideration of the various proposals that were tabled on paragraph 8.3 last year. With respect to the confidentiality provision, her delegation had never suggested that information should be treated in a manner that went beyond Article 10 of the Agreement; only that Members faithfully adhere to it. This was explicit in paragraph 8.3 as well.

2.33 With regard to the monitoring mechanism, her delegation's idea was to create a transparency exercise to serve as an informal check on routine requests. An annual reporting mechanism to the Committee would assure that Members would only make requests where it was really required and would refrain from making routine requests. Countries could use their own check-list or that provided by the WCO to determine whether a request should be made. Her delegation was willing to work with the WCO Guide as a basis for establishing a procedure for the exchange of information. She associated herself with the comments of Brazil with respect to the establishment of a multilateral mechanism. Bilateral mechanisms did not take the concerns of Members fully into account. This was why a multilateral approach with a specific monitoring mechanism as an established procedure was necessary. It was up to the Committee to use the TCCV input and complete the work on the procedure to be established.

2.34 The representative of the United States wondered whether Members had studied the TCCV response to see how they could actually apply some of the tools therein. The US was concerned that Members were simply returning to their original proposals without taking into account the substance of the TCCV response. The mandate in paragraph 8.3 did not call for creating a procedure but for identifying and assessing practical means to address concerns, including the exchange of information on export values. While her delegation would reflect on the exchange of views, it wished to avoid an interpretive battle over the mandate. The TCCV response reflected progress, including the TCCV Guide which contained elements that were reflected in the Indian proposal to this Committee. It was therefore necessary now to understand the Committee's work in light of this new input. She noted that many delegations appreciated the response and highlighted parts that were significant to them. She considered that progress in the Committee would depend on finding common ground as far as recognising what had been identified in the response. Her delegation would study further the Indian proposal as well as the other two proposals in the context of the TCCV response.

2.35 The representative of the European Communities agreed that there was a wealth of information in the TCCV response that merited close examination. The basic goal was to ensure that administrations collected the right amount of duties and taxes, that they had the tools to do so and where there were problems, these be identified and addressed. In this regard, it was important to also focus on technical assistance and capacity building as mentioned in the response. In this sense the TCCV response could further inform the development of tools in the context of capacity building that would focus on the ability of administrations to address problems ranging from inaccurate declarations to actual structural weaknesses. In this context, the relationship with importers was also important. Importers were the functional entities in their respective countries that carried out business, paid taxes, dealt with financial institutions, and were fully connected to the fabric of their economic and social life. Customs administration could not be divorced from this fabric.

2.36 The TCCV response contained a matrix of solutions, both internal and external. His delegation was interested in adopting and adapting as necessary this response in a way that would become a final response from the Committee. On the question of bilateral versus multilateral, his delegation had considerable experience with the former. The WCO itself has a model bilateral agreement which made it easier for countries to use this approach. The TCCV did note some Members' hesitations about the bilateral approach, but they also noted that, among the solutions, was one of making the bilateral approach work better. In conclusion, his delegation considered that, in its entirety, the TCCV response seemed to show that there was enough in the customs world to address problems about the accuracy of the declared value. His delegation would reflect further on what value added the Committee could bring to the process.

2.37 The Committee agreed to suspend this item of the agenda pending consultations on the matter by the new Chairman of the Committee.

III. INFORMATION ON IMPLEMENTATION AND ADMINISTRATION OF THE AGREEMENT

(i) Notification of national legislation

3.1 The Chairman recalled that Article 22 of the Agreement required each Member to inform the Committee of any changes in its laws and regulations relevant to the Agreement and any changes in the administration of such laws and regulations. In addition, the Decision on Notification and Circulation of National Legislation, adopted by the Tokyo Round Committee, required each Member to notify its legislation to the Committee. He suggested that, under this sub-item, the Committee take up the legislations as listed in the agenda. He further recalled that the notification of legislation by the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu had been presented to the Committee. However, the examination of this notification remained suspended since the Committee's meeting on 4-5 November 2002 pending resolution of the difference in views between the parties involved on notifications across the WTO. He noted his appreciation for the flexibility of the parties involved in allowing the Committee to proceed with the examination of other notifications.

- *Australia*

3.2 The Chairman drew Members' attention to document G/VAL/N/1/AUS/2 which contained amendments to the valuation provisions of *Customs Act 1901* (Customs Act).

3.3 The Committee agreed to conclude the examination of this notification.

- *Bolivia*

3.4 The Chairman drew Members' attention to the notification circulated in G/VAL/N/1/BOL/1. This document contained the relevant sections of the General Customs Law of Bolivia (Law No. 1990) enacted and published on 28 July 1999 and the "Regulations on Customs Valuation", prepared by the National Customs Administration.

3.5 The Committee agreed to conclude examination of this notification.

- *Brunei Darussalam*

3.6 The Chairman drew Members' attention to document G/VAL/N/2/BRN/1 which contained the responses to the checklist of issues submitted by Brunei Darussalam.

3.7 The Committee agreed to conclude the examination of this notification.

- *Burkina Faso*

3.8 The Chairman drew Members' attention to document G/VAL/N/1/BFA/1 which contained Regulation No. 05/99/CM/UEMOA on customs valuation; Decree No. 02-049 of 3 June 2002, which established the reference values serving as a basis for the elimination of customs duties and taxes in Burkina Faso; a list of goods subject to reference values; and a summary by the Ministry of Trade, Promotion of Industry and Crafts on the notification procedure applicable to WAEMU Member countries.

3.9 The representative of the United States indicated that her delegation would submit questions to Burkina Faso through the Secretariat.

3.10 The Committee took note of the statement made and agreed to revert to this notification at its next meeting.

- *China*

3.11 The Chairman drew Members' attention to document G/VAL/N/1/CHN/1 which contained Decree No. 95 of General Administration of Customs Administration of the People's Republic of China on the Rules of General Administration of Customs of the People's Republic of China Regarding Determination on Customs Valuation of Imported and Exported Goods. In addition, document G/VAL/N/2/CHN/1 contained the responses to the Checklist of Issues. He noted that two Members had also submitted questions on these notifications in the context of China's Transitional Review Mechanism in documents G/VAL/W/103 and G/VAL/W/107 and China had submitted information on its application in documents G/VAL/W/111 and G/VAL/W/113. He recalled that substantial discussion on China's implementing legislation took place at the last meeting during the Transitional Review. It was agreed that when China's legislation was examined under this agenda item, the Committee could refer to the questions and answers raised under the Transitional Mechanism as well as raise additional questions, if necessary. It was also agreed that, in accordance with the normal practice under the examination of legislation, Members could request that responses provided under the present agenda item be circulated in writing.

3.12 The representative of the European Communities did not have further questions on the Chinese legislation at present. He noted the work already done in examining the Chinese legislation and the possibility of returning to any supplementary questions at a later time. He added that his delegation found the Chinese legislation practical in that it was concise yet comprehensive. He thought other Members might benefit from the approach in the future.

3.13 The representative of Chinese Taipei stated that his delegation had no further questions.

3.14 The Committee took note of the statements made and agreed to conclude the examination of this notification.

- *Côte d'Ivoire*

3.15 The Chairman drew Members' attention to document G/VAL/N/1/CIV/1 which contained circular No. 1049 of 29 June 2001 regarding the implementation by the Côte d'Ivoire customs authorities of the transaction value method, the legal basis being the Annex to Regulations No. 005/99/CM/UEMOA.

3.16 The Committee agreed to conclude the examination of this notification.

- *Cuba*

3.17 The Chairman drew Members' attention to document G/VAL/N/2/CUB/1 which contained the responses to the Checklist of Issues.

3.18 The Committee agreed to conclude the examination of this notification.

- *India*

3.19 The Chairman drew Members' attention to India's notification in G/VAL/N/1/IND/3 which contained the full text of India's Gazette Notification dated 7th September 2001, containing certain amendments to the Customs Valuation (Determination of Price of Imported Goods) Rules 1988. In

addition, India's responses to the Checklist of Issues were contained in document G/VAL/N/2/IND/1 and Corr.1.

3.20 The representative of the United States asked how the language in items (a) though (c) of paragraph 2(i) were consistent with Article 1 of the Agreement. She would also submit some additional questions on this notification.

3.21 The representative of the European Communities shared the US question and added that his delegation would also follow up with a question in writing.

3.22 The representative of India responded that, once the questions were received, she would reply to them in a timely fashion.

3.23 The Committee took note of the statements made and agreed to revert to this notification at its next meeting.

- *Morocco*

3.24 The Chairman drew Members' attention to document G/VAL/N/1/MAR/2 which contained information on Morocco's implementation of the Agreement. Specifically, pursuant to Article 3 of Finance Law No. 45-02, the Customs and Indirect Taxation Authority had incorporated into domestic legislation as of 1 January 2003, the provisions of Article 6 of the Agreement concerning the computed value method.

3.25 The Committee agreed to conclude examination of this notification.

- *Slovakia*

3.26 The Chairman drew Members' attention to the Slovakian notification in G/VAL/N/1/SVK/2 which contained the new Customs Act of the Slovak Republic which entered into force on 22 May 2001.

3.27 The Committee agreed to conclude examination of this notification.

(ii) *Notification that national legislation under the Tokyo Round Customs Valuation Agreement remains valid under the WTO Customs Valuation Agreement*

3.28 The Chairman recalled that it was agreed to suspend consideration of this item until there was something to report on the three Members, Botswana, Lesotho and Mexico, whose legislation was outstanding in this regard. Since there were no notifications, he proposed that the Committee further suspend consideration of this sub-item.

3.29 The Committee so agreed.

(iii) *Notifications made by developing country Members*

3.30 The Chairman drew Members' attention to document G/VAL/2/Rev.16 which contained the updated lists of all Members who had invoked special and differential treatment provisions under the Agreement. In addition, he drew attention to document G/VAL/W/76/Add.5 which contained an updated inventory of notification requirements pursuant to extension decisions and minimum value reservations.

3.31 The Committee took note of the information presented.

- *Requests for extension of delay periods*

3.32 The Chairman informed the Committee that, under this sub-heading, there were two requests pending in the Committee, namely from Rwanda, and the United Arab Emirates. He understood that there were no developments with respect to Rwanda's request. With respect to the request from the UAE, he received today a draft Decision granting the UAE an extension until 31 December 2003, which he understood was also circulated to Members in G/VAL/W/120. He asked Members whether they wished to suspend the meeting on this point or take a decision on this draft today.

3.33 The Committee adopted the Decision contained in G/VAL/W/120 granting an extension to the UAE in application of the Agreement.

- *Notifications made under Committee Decisions on extensions or minimum values*

3.34 The Chairman stated that, under this sub-item, the Committee was to consider the notifications made under the Decisions concerning delay extensions and minimum value reservations. One such notification had recently been received from Colombia in G/VAL/N/4/COL/4.

3.35 The representative of Colombia stated that her delegation's recent communication was to notify the Committee of the dismantling of minimum prices for the last group of products as contained in Annex 3 of decision in G/VAL/26. Specifically, Annex 2 of the communication contained a memorandum from the Colombian customs directorate informing those responsible for administration and application of the Agreement that, as from the 1 May 2003, minimum prices would no longer exist for the group of tariff sub-headings in Annex 3 of decision G/VAL/26. Finally, she informed the Committee that Colombia had not applied minimum values to other products. Her delegation could, therefore, confirm to the Committee that it had fully complied with the provisions contained in G/VAL/26.

3.36 The Committee took note of the statement made.

IV. INFORMATION ON THE APPLICATION OF DECISIONS OF THE COMMITTEE ON CUSTOMS VALUATION

4.1 The Chairman informed the Committee that under this agenda item, the Committee noted any new notifications of application of the Decisions of the Committee on Customs Valuation on the "Treatment of Interest Charges in the Customs Value of Imported Goods and on the Valuation of Carrier Media Bearing Software for Data Processing Equipment", both adopted by the Committee and contained in document G/VAL/5. Since the last meeting, there had been no new notifications.

4.2 The Committee took note of the information.

V. TECHNICAL ASSISTANCE

- *Information on technical assistance*

5.1 The Chairman drew Members' attention to document G/VAL/8/Add.10 which contained information on completed WCO technical assistance activities. The information compiled was based on the information provided to the 15th session of the Technical Committee on Customs Valuation. He proposed that the Committee take note of the information provided in the document.

5.2 The Committee took note of the information.

- *Article 20.3 Technical Assistance and Trade-Related Technical Assistance*

5.3 The Chairman recalled that the Committee had adopted a Work Programme on Technical Assistance for Capacity Building as Regards the Implementation and Administration of the WTO Agreement on Customs Valuation, contained in document G/VAL/W/82/Rev.1. One of the main elements in this Programme, the hosting of a seminar on technical assistance, was successfully carried out on 6-7 November 2002. All of the presentations and remarks were contained on the WTO web-site for the information of Members as well as of the public at large. He reported that he had an open-ended informal meeting on this matter in order to have an exchange of views as to how the Committee might wish to follow-up on the seminar as well as on the Work Programme in general. During these consultations, the idea of repeating the information-gathering exercise on technical assistance needs which was carried out by this Committee in 1997 and 1998 was raised. He recalled that the previous request for information was circulated in WTO document G/VAL/11, dated October 1997. This suggestion was made on the presumption that needs might have evolved since the first exercise as many Members were now in the post-implementation stage. In addition, Members' understanding on the specific types of assistance provided by donors and their role in managing assistance had also evolved. While there was some discussion of this idea as well as of how this exercise might marry with the preparation of the WTO technical assistance plan for all technical assistance activities, he reported that he did not get a sense of any clear direction from these consultations. He asked for further thought on this question.

5.4 The representative of the European Communities expressed his delegation's appreciation for organising and executing the seminar which it considered was well delivered and well received and made a real contribution to the matter. There were a number of points that came out of the seminar and his delegation would keep them in mind. The Technical Committee, at its last meeting, also considered its role in addressing some of the concerns and issues raised by a number of countries at the seminar. His delegation was emphasising the need for the WCO and the Technical Committee to address some of the questions raised with concrete responses. This particularly applied to some of the largely informational requirements that countries expressed in terms of application of certain parts of the Agreement or with certain kinds of commercial situations. The seminar also looked at capacity-building, as a central theme and how it could be further developed. His delegation invited Members to actively reflect on ways to make meaningful contributions towards technical assistance or capacity-building, whether in the context of simple implementation and good application of the Agreement, on one hand, or, on the other hand in the broader context, trade-related technical assistance of a general nature.

5.5 He added that it was a continuous task to ensure that technical assistance was effective and countries repeated that valuation was an important area for assistance. A challenge, therefore, was to make sure that this wish was translated into concrete delivery and results and, working with the WCO and other international organisation, his delegation would like to maintain the issue on the Committee's agenda on a semi-permanent basis. The idea to renew or repeat the needs assessment work done four years ago was interesting and worth exploring. Most Members were in the implementation and application stages of the Agreement. He suggested that the Secretariat envisage repeating the exercise with the support of all concerned as well as international organisations.

5.6 The representative of Korea informed the Committee that his government would be hosting a technical assistance activity with the WCO in September 2004 and 28 countries would be invited.

5.7 The representative of the European Communities clarified that a new needs assessment exercise could be along the same lines as the one done in 1997-98 taking into account that most Members were now applying the Agreement and their needs might have changed. It may also be interesting to take into account how Members believed that they had been able to benefit from available technical assistance. The Committee's on-going work, in order to remain transparent and

coordinated, would need to benefit from the type of information previously made available in 1997-98. However, he stressed that it was important that all Members, donors, recipients, suppliers, etc. agree that this information should be gathered. His delegation would reflect further on this exercise to provide more concrete suggestions.

5.8 The Committee agreed to reflect further on this question and revert to it at its next meeting.

VI. INDIA - INFORMATION ON CERTAIN ASPECTS OF THE EUROPEAN COMMUNITIES VALUATION POLICY

6.1 The Chairman recalled that, at its last meeting, the Committee agreed to revert to this item at this meeting following an exchange of views between India and the EC. The Chairman urged both parties to use the interim time between meetings to engage in bilateral discussions with a view to reaching a resolution of this matter. He asked if there had been progress on the matter.

6.2 The representative of India explained that her delegation was continuing its study of the EC valuation practices and she thanked the EC for providing her delegation with the Council Regulation in question. As her delegation was still in the examination process, it had a few more questions. In one of the EC responses, the EC indicated that the importer was allowed the choice of having the import duties assessed either on the basis of the transaction value, the deductive value method or on the basis of the standard import value. The response added that the importer would usually use standard values where no sale of a good existed. Even then, the importer could still elect to use any import value it wished. This indicated that the transaction value method was not the only method used for assessing customs duty on imports of fruits and vegetables. Duties could also be assessed on the basis of standard values and the choice, in this regard, was left largely to the importer. She asked two further questions of the EC: what percentage of these imports were valued under the transaction value method, the computed value method and the standard import value method in 2000, 2001, 2002 and 2003 to the present; and why was the computed value method given as a separate option for valuation as distinct from the transaction value method since, under the Agreement, the methods must be used in a hierarchical manner?

6.3 The representative of Brazil informed the Committee that his had examined the EC Regulation in question. As a result, his delegation would submit some technical questions regarding Regulations 32-23/94 and how the system worked. For transparency purposes, he would copy the Secretariat for circulation to Members.

6.4 The representative of the European Communities recalled his delegation's understanding that, at the last meeting, it had agreed with India to take up only residual issues informally and bilaterally. So his delegation did not understand why this point was on the agenda of this meeting. He was not sure how useful bilateral discussions could be held if they would be followed by parallel discussions in the Committee. While India said it had only 2 additional questions, he reminded Members that his delegation had listened and responded to a series of questions over a long period of time. With respect to the first question, most administrations did not measure, on a sectoral or horizontal basis, the use of valuation methods; there was a general understanding that some methods were used more than others but statistics were not gathered for this purpose. So, a quick answer was that such statistics were simply not available. If so, he would bring it to India's attention. Regarding the second question, he added that the Agreement did distinguish these two methods. The real question was why the computed value was not indicated in a hierarchical way. He explained that the Regulation presented a flexible package for importers in these particular circumstances. The Regulation was not a valuation regulation, it implemented certain tariff concessions reached in the Uruguay Round in an agreed tariff schedule manner. EC legislators put this into effect through a technical mechanism which allowed the greatest flexibility envisaged to operators so that they could have access to all valuation methods than perhaps they would under the more rigid hierarchy. Importers could access

directly the method they wanted to use where there was no sale and where other options were not interesting to them.

6.5 He hoped that India would be satisfied with these responses. He encouraged other Members, such as Brazil, which had questions on any provision in the Regulation to pose them to his delegation. His delegation had always been open in this respect but obviously the questions should be related to concrete provisions in the Regulation that presented difficulties. He wished to avoid an academic examination of provisions such as was happening in the Committee. His delegation would continue discussions with India and wished to conclude the matter while, of course, responding to any questions Members might have.

6.6 The representative of Brazil said that he was not in a position to give an opinion regarding the question of under what agenda item his questions would be discussed. Since his delegation was seeking technical clarifications on some points, there would have to be a way for the issue to be taken up at the next meeting. He did not see the matter as simply a bilateral issue between the EC and Brazil. It was his understanding that the Committee had been established to act as a forum for Members to discuss and consult upon issues of interest and doubt in the area of customs valuation.

6.7 The representative of India stressed that her delegation was not minimizing the importance of bilateral contacts which her delegation had used. The purpose of raising the matter in the Committee was for transparency. While the EC might consider the matter an academic exercise, her delegation did have concerns and some gaps in its understanding of the Regulation in the framework of the Agreement. She regretted any confusion if her delegation had given the impression that it would not raise any further questions. Her delegation had examined the Regulation and had some follow-up questions. It would continue to examine the legislation and pursue the matter bilaterally also.

6.8 The Committee took note of the statements made and agreed to revert to this item at the next meeting.

VII. FOURTH, FIFTH, SIXTH, SEVENTH, AND EIGHTH ANNUAL REVIEWS OF THE IMPLEMENTATION AND OPERATION OF THE CUSTOMS VALUATION AGREEMENT

7.1 The Chairman recalled that, at the last meeting, the Committee took note of the four documents containing the Fourth, Fifth Sixth, Seventh and Eighth Annual Reviews, namely G/VAL/W/29, G/VAL/W/43, G/VAL/W/77, G/VAL/W/89, and G/VAL/W/109. It was agreed that this matter would be referred to this meeting of the Committee.

7.2 The representative of India stated that the position of her delegation had not changed on this matter and it maintained its reservation on the Reviews.

7.3 The Committee took note of the statement made and agreed to revert to this matter at the next meeting.

VIII. PRESHIPMENT INSPECTION

8.1 The Chairman recalled that following adoption of the final report of the Working Party on Preshipment Inspection in document G/L/300, the General Council agreed that future monitoring of the Agreement on Preshipment Inspection should be undertaken initially by the Customs Valuation Committee, where PSI would be a standing agenda item. The Secretariat recently issued a revision to the document listing countries using PSI. This was contained in document G/VAL/W/63/Rev.3.

8.2 At the last meeting, Members were reminded that, according to Article 6 of the Agreement on PSI, the Ministerial Conference was obliged to review the provisions, implementation and operation of the Agreement "at the end of the second year from the date of entry into force of the WTO Agreement and every three years thereafter..." The Chairman recalled that the first review was carried out from 1996 through 1999, the year which in fact marked the three-year period for the second review. He asked the Committee to consider for discussion at this meeting two questions: whether it was desirable to carry out a second review of the Agreement, given the obligation under the Agreement and the fact that a second review called for every three years thereafter was overdue; and secondly if a review was desirable, in which body of the WTO should this review be conducted. Members indicated that they would need more time to reflect on this question.

8.3 The representative of the European Communities suggested retaining the question of a review for the next meeting. If there were no further inputs or concrete expressions of willingness to undertake the work, then the Committee could hold off discussion of the agenda item until there was a specific proposal.

8.4 The Committee agreed that Members would reflect on the question of a review for the next meeting. If there were no comments at the next meeting, the Committee would postpone discussion of this agenda item until there was a specific proposal from a Member.

IX. OTHER BUSINESS

9.1 The Chairman reported that, pending resumption of the meeting on item B, the next formal meeting of the Committee was scheduled for 6 October.

X. ELECTION OF OFFICERS

10.1 The Chairman recalled that the Rules of Procedure for the Committee on Customs Valuation provided for the election of a Chairperson at the end of the first formal meeting of the year. He understood that the Chairman of the Council for Trade in Goods carried out consultations on a slate of names for appointment as Chairpersons of standing bodies in accordance with the established guidelines for the appointment of officers. On the basis of the understanding reached, he proposed that the Committee elect Mr. Ivan Lee, Deputy Representative of the Hong Kong Economic and Trade Office, by acclamation.

10.2 The Committee so agreed.

Resumption of the meeting on 22 July 2003

I. PARAGRAPH 12 OF THE DOHA MINISTERIAL DECLARATION (WT/MIN(01)/DEC/1): IMPLEMENTATION-RELATED ISSUES

- *Paragraph 8.3 of document WT/MIN/(01)/17*

1.1 The Chairman recalled that the meeting of 23 May 2003 was suspended on item II of the agenda. The Committee had suspended consideration of this item pending consultations by the Chairman on how to proceed. This meeting would take up this suspended item as well as conclude with a small announcement from the Chair at the conclusion of the meeting.

1.2 Following the mandate given to him by the Committee on 23 May 2003, and as he communicated to Members in an earlier fax, he had been carrying out consultations with interested delegations on how to proceed with the Committee's work under the mandate in paragraph 8.3 of the Ministerial Decision on Implementation-Related Issues and Concerns. In carrying out these

consultations, he called upon some delegations as well as responded to calls from other delegations who wished to make their views known. In this way, he made every effort to involve all interested parties in this work. In his bilateral and plurilateral meetings, he tried to identify a package of elements which, in his view, could form the basis of an agreement acceptable to all. In this connection, he identified three elements: first, the TCCV response as providing the reference for further work; second, encouragement for Members to make use of the various practical means identified in the TCCV response with respect to the accuracy of the declared value, particularly with reference to the Guide to the Exchange of Customs Valuation Information which formed part of the TCCV response; and, third, a role for this Committee to share Members' experience with the application of the tools, mechanism, practices and policies identified, including technical assistance and capacity building measures which might be appropriate in this context. He also sensed a desire by Members to complete this work as soon as possible, in time for the General Council meeting on 24-25 July. On this basis, he circulated, under his own responsibility, a draft report by this Committee to the General Council in Job(03)/151, dated 18 July 2003. He held a further consultation on this paper yesterday. Consistent with the Committee's usual practice when discussing implementation-related issues, he proposed moving into an informal mode for the discussion of item II.

1.3 The Committee agreed to move into an informal mode for technical discussions as well as to reflect statements made in the informal mode in the minutes of the meeting. Below are the statements Members made during the informal session.

1.4 The Chairman added that during his most recent consultation on document Job(03)/151, a few Members indicated that they would prefer the concluding paragraph 10 of the report to be in the form of a decision by the Committee annexed to the report. In this light, and in an effort to move the work forward given the limited time, he took the liberty of producing a draft report with a decision of the Committee annexed to it. He circulated this for Members' reflection and possible consideration at this late stage of discussions. Furthermore, from the consultations yesterday, it appeared that India also wanted to circulate its own version of a draft decision by the Committee. He proposed commencing the discussion on the basis of the JOB document, bearing in mind that there were two room documents tabled. He added that flexibility was needed on the part of all Members.

1.5 The representative of Brazil said that his delegation found Job(03)/151 a positive basis on which to seek a conclusion to the work on paragraph 8.3. His delegation had some minor points to make on the factual part. However, in light of the Chairman's appeal for flexibility, his delegation could accept it as drafted. He noted that his delegation preferred to see the concluding paragraph in the form of a decision by the Committee.

1.6 The representative of Romania agreed with Brazil on the report and could also support the draft decision with a view to obtaining a good result in this Committee.

1.7 The representative of Colombia also supported the draft report and the idea of concluding with a decision by the Committee.

1.8 The representative of Canada stated that his delegation could also accept the factual part of the report in Job(03)/151. His delegation was of an open mind regarding adoption of a draft decision, in particular, the text submitted by the Chair. It was a good basis for discussion in the Committee and his delegation was receptive to it in order to accommodate the views of other delegations.

1.9 The representative of Australia noted that her delegation could accept the factual part of the report which it found balanced. Her delegation preferred option B for the review. However, in the spirit of flexibility, her delegation would go along with consensus on this issue. Notwithstanding the substance, her delegation preferred that the conclusion remain an integral part of the report rather than a stand-alone decision. Based on a number of reasons, the TCCV report, as a reference by customs

administrations, did not justify the higher status of a decision. Again, in a spirit of flexibility, her delegation would not block any consensus on this issue, provided it could agree on the substance. The Chair's paper was a reasonable basis on which to proceed.

1.10 The representative of Singapore could also agree with the factual part of the Job(03)/151. On the conclusion in paragraph 10, her delegation had also indicated its preference for Option B but it was prepared to consider Option A if that was the consensus. Her delegation shared the views of Australia on the stand-alone decision. There was no need for a stand-alone decision and the mandate of the Committee was to report to the General Council. As it stood, Job(03)/151 seemed adequate. But in the spirit of flexibility, her delegation would not block any consensus on a stand-alone decision provided the contents were acceptable.

1.11 The representative of Hong Kong, China shared the views of others on the factual part of the report. As regards the conclusion, his delegation preferred Option B. However, it could go along with Option C if that was the consensus of the Committee. His delegation also did not see the need for a stand-alone decision but preferred a conclusion as in Job(03)/151. Like Australia and Singapore, his delegation would be willing to consider a decision if that was the general consensus of the Committee, and wished to discuss the contents of any decision on the basis of the Chair's proposal.

1.12 The representative of Thailand associated her delegation with Australia, Singapore and Hong Kong, China in that it could accept the factual part of the report and preferred option B of Job(03)/151. Her delegation sought more clarification from the proponent of a stand-alone decision as it did not see the need for this. Like others, her delegation would not block consensus in the Committee, but sought more clarification on the justification.

1.13 The representative of Korea expressed his delegation's acceptance of Job(03)/151 and indicated its preference for Option C rather than Option B. However it was open to discuss all options on the basis of the Chair's new working draft.

1.14 The representative of China indicated that her delegation preferred Option C for the conclusion and could go along with the Chair's new draft containing a separate decision of the Committee.

1.15 The representative of Chinese Taipei expressed his delegation's acceptance of the factual part of the report in Job(03)/151. It preferred Option B but could be flexible. His delegation joined the sentiments expressed by previous speakers including Hong Kong, China, Australia and Thailand questioning the need for stand-alone decision in the conclusion. The mandate asked the Committee to identify and assess practical means to address concerns. There did not seem to be a need for a decision which, given the length and the substance of the decision, could easily fit into a conclusion.

1.16 The representative of Japan stated that his delegation could support the draft in Job(03)/151 and preferred Option C for the conclusion. However, it could be flexible on the other options.

1.17 The representative of Brazil, in responding to Thailand's request for clarification, explained that the objective of this exercise was to put in place mechanisms that could help customs administrations cooperate on valuation issues in line with the mandate from paragraph 8.3. Without speaking for other customs administrations, his administration was more likely to study a decision of this Committee which indicated precisely what was expected when submitting a request or receiving a request for cooperation, rather than a report of the Committee to the General Council. Such a decision could be easily incorporated into their manuals for operating procedures. This was the rationale behind the proposal for a decision on the conclusive part of the report.

1.18 The representative of Colombia supported Brazil's argument for the practicality and usefulness of a separate, stand-alone decision. While her initial comments were addressed to the working draft submitted today, she noted that her delegation could also agree with paragraph 10 and expressed preference for Option C therein.

1.19 The representative of Romania also supported Brazil's arguments for a decision, which were valid for her customs administration. There was a need for a separate decision in the every day work of customs officers.

1.20 The representative of Norway could also accept the draft report by the Chair and indicated his delegation's preference for Option B while retaining flexibility on Option C.

1.21 The representative of the Philippines could also support the factual part of the report. Her delegation preferred Option A because the timing of the review would send a strong political message that this was a trade facilitating measure that needed to be implemented. If there was consensus on Option C, however, her delegation would be able to go along. For the reasons cited by Brazil, her delegation could agree to a separate decision. Her customs administration primarily read its operating manual in which a decision could be easily incorporated.

1.22 The representative of India said that her delegation agreed with the majority of the report which was factual in nature. However, it had a few suggestions to counter the impression created throughout the report that all Members were happy to only adopt the TCCV Guide. Her delegation, in particular, had recognised that the TCCV Guide provided a good working basis but that some important elements needed to be added to it. In this respect, her delegation circulated some suggestions based on its earlier proposal which contained some of these elements. One in particular was when customs administrations requested or received a request for information, that such requests be met in a reasonable time-frame. She added that paragraph 11 of the TCCV report regarding the problems with the bilateral approach could be added to paragraph 7 of the draft report. Her delegation also believed that, in line with the mandate in paragraph 8.3, a more concrete decision could emanate from the Committee with regard to the procedure to be followed between assistance and cooperation between customs administrations. Simply identifying the WCO Guide was useful and provided one way for Members to proceed. However, her delegation was concerned that the Guide suggested that certain practices were a pre-requisite to requesting information. This link was not useful. Her delegation preferred a decision and was willing to work on the one proposed, as well as to listen to Members' comments. Her delegation also wanted a monitoring mechanism which was built into the options A, B, or C. Her delegation could go along with any but preferred option C.

1.23 The representative of the European Communities could also accept the text as proposed by the Chairman. Regarding the options, his delegation looked favourably at Option C but was flexible. The important point was to watch the issue to make sure that all were doing their part to ensure a successful outcome. Establishing a Committee decision was a long process requiring careful consideration. Nevertheless, if a decision, reinforced the hard work of the Committee and reflected its commitment to address this issue, then his delegation would look at the possibility of putting the ideas in the draft in that kind of structure. While the structure of the draft report would be his delegation's first choice, it listened to Brazil's statement of reasons. While it did not necessarily agree that customs administrations needed a decision in order to take full note of the will of this Committee, his delegation would be prepared to consider a decision format if this would be something that would concretise for the Committee what was already in the text. Regarding India's comments, his delegation believed that the TCCV report was agreed by all WCO members and that reflected for them a balanced result. His delegation was not interested in re-addressing elements that the WCO experts had settled in the context of their work.

1.24 The representative of the United States said that her delegation could only consider adopting a decision format if it agreed with the substance. Her delegation could not support the texts proposed by India. While India seemed to leave room for flexibility in their statement, there was not a lot of time to discuss new ideas since most of the time had been spent discussing the Chairman's various formulations. Her delegation did not believe that the mandate in paragraph 8.3 covered India's suggestions. In fact, these suggestions appeared to be a repetition of the proposal which India had been presenting for a few years now and which had resulted in paragraph 8.3 of the Doha Ministerial Decision on Implementation-Related Issues and Concerns. In her view, presenting these proposals at this stage was seeking to reopen the results in paragraph 8.3. Therefore, while her delegation was prepared to be flexible and consider a separate decision format, it could not do so unless it clearly understood what the substance of that decision would be. Her delegation had understood that the Committee was working towards completion of its report to the General Council. But it appeared that new elements had been presented which, in her delegation's view, reversed the Chairman's entire consultation process. If this was the case, her delegation did not see the need to make any report to the General Council at this stage.

1.25 The representative of India asked which parts of her suggested texts were problematic. She clarified that her delegation considered the TCCV report to be a general reference document. While the TCCV Guide could be followed, it did not contain all the concrete elements in her delegation's proposal, such as exactly which elements needed to be requested or provided and a particular time-frame. These elements were designed to avoid any ambiguity in the Committee's decision, as well as in the request or provision of information. Her delegation did not intend to re-open or go beyond the mandate in paragraph 8.3, but simply to operationalize the paragraph which already contained an obligation to request or provide information.

1.26 The Chairman understood the Indian delegation to be requesting that certain elements like a time-frame, a standard format, the type of information to put in the format be added to the decision. Another point related to concern that the first part of the TCCV Guide, namely the checklist of action that needed to be taken by the requesting Member, was a pre-requisite to actually forwarding a request to another Member. He asked it it was correct that India was seeking more more flexibility on this checklist, as well as more concrete elements then what was in the second part of the Guide?

1.27 The representative of India clarified that she was expressing her delegation's concern that a linkage was established indicating that *before* a request could be made, a Member *must* go through all the procedures listed in the Checklist. While her delegation had no difficulty with the procedures, it might not always be possible to carry them out. Therefore, they should be not be prerequisite to making a request or to seeking information.

1.28 The representative of Egypt supported a Committee decision in this area and had sympathy for the Indian suggestions. In addition to the Committee agreeing that the TCCV tools were appropriate, his delegation though it was a good idea to put more flesh on the procedures by adding some of the Indian elements to the decision. His delegation was interested to hear the views of different Members with regard to which elements should or should not be included.

1.29 The representative of Brazil stressed that a good result was better than a quick result. He did not agree that India's suggestions harked back to its pre-Doha proposals. Much of what India had specified was already in the TCCV Guide in paragraphs 5 and 7 of the Recommended Procedures. The recommendation to use electronic communication was also common to both. There might be some elements that go beyond the Guide, but it should not be on this basis that India's suggestions were dismissed as moving backwards. India was simply seeking to put some flesh in the draft decision by spelling out more clearly some of the elements.

1.30 The representative of the United States elaborated further that her delegation had specific concerns about the second paragraph of India's suggestions. While not having had much time to reflect on the suggestions, she would send them to her capital. Her concerns were not in isolation from the Chairman's consultations where India had used terms such as "required". If the decision was to conclude the work with a format guide, why did she have the impression that the decision was creating mandatory obligations? Was the intention to punish Members who did not or could not provide the requested information? To a large extent, it would depend on the interpretation of the word "required". Her concern was that the Indian suggestions would alter her delegation's understanding of the intention or the level of engagement between customs administrations. She added that India should not be concerned about the linkage between the Checklist and the Recommended Procedures in the TCCV Guide because they were only guidelines. She wished to get more information from her capital as to how it viewed the Guide and whether the Checklist could be an obstacle to making a request. She considered that if India could remove the bulk of its second paragraph, then her delegation could try to find ways to look at the other parts she mentioned.

1.31 The representative of Australia considered that all the elements mentioned by India were already in the TCCV response. Rather than pick and choose elements from the response, her delegation suggested referring to the entire report and adding one of the options in the Chair's draft. Her delegation was concerned that India's suggestions ignored the language of the TCCV Guide which was prepared following several meetings of lengthy discussions and numerous interventions by all Members. The result was a compromise text. For example, the statement in the Guide that the requested information should be provided as quickly as possible, preferably on the basis of a mutually agreed time-frame and within the limit of customs administrations' competence, was very carefully drafted language. India was suggesting that the exporting member provide the requested information within a reasonable time-frame as requested by the importing member. This had a different meaning. Secondly, the Indian text appeared to propose in paragraph 2 that the exporting member should always consent to the provision of information for use in judicial proceedings. Perhaps the exporting member faced national laws restricting this. Again, she stressed that the language in the Guide was a carefully drafted compromise which her delegation could not agree to change at this time. Lastly, she asked what was meant by India's statement, "the measures to be taken by the importing member to obtain the requisite information through legal channels while acknowledging the request."?

1.32 The representative of Canada considered that there were two broad aspects to the Committee's work. The first related to the broad procedural issue of how to conclude the work, and the second related to the substance of the work. On the first aspect, his delegation believed that the Chair's draft report, with the possible addition of a decision, could offer a good solution. There seemed to be broad acceptance of this draft. However, as the US and others have said, the first aspect could only be concluded if the substance was right. Since there was one delegation which still had substantive problems, it was only fair that the Committee try to address those problems in order to find a solution to the work. However, his delegation had concerns that India's suggested text would limit the progress. In fact, they crystalized many of the concerns his delegation had with the issue. In particular, the second sentence of the second paragraph of India's suggestions had represented a concern to his delegation since the initial stages of the work. The matter had been discussed in the TCCV as well as in other bodies. Much progress had been made in moving the matter forward. However, this suggestion would appear to bring the work back to square one. His delegation did not agree that adding India's suggested text was merely inserting a few minor elements. These suggestions posed problems to his delegation and appeared to run counter to both paragraph 8.3 and the spirit of the Agreement. His delegation was open to continuing the work and welcomed forward-looking approaches.

1.33 The representative of the European Communities agreed that the Indian suggestions appeared to pick and choose elements from the TCCV report and to run counter to paragraph 8.3 itself. His delegation believed that the elements in the Indian paper were already in the TCCV report, which

represented compromise formulations by experts on the correct procedures to be followed. The Checklist in the Guide was flexible saying "to the extent possible" certain procedures should be followed before requesting information. For this reason, his delegation would not agree with India's appreciation of the Checklist. Also, India believed that the draft report simply referred to the TCCV report. His delegation believed it went further by stating that the tools, etc. from the TCCV report represented appropriate means, and spoke about the experience gained in the application of the Guide. The strength of the draft conclusion was in this positive approach which would support, at a higher political level, the views of customs administrations.

1.34 The representative of India indicated that she was still not clear on which specific elements concerned Members. If it was with respect to the sentence regarding judicial proceedings and national laws and procedures, her delegation was open to working with other Members to find an acceptable solution. She would pass on Members' concerns to her capital. She reiterated that it was not her delegation's intention to go beyond what was in paragraph 8.3 and her use of the word "require" did not have any hidden meaning behind it. She pointed out that with regard to the use of the information for judicial proceedings, even the TCCV report referred to Article 10 of the Agreement. There was no intention to go beyond Article 10, which was also reflected in paragraph 8.3. She responded to Australia's question by stating that the phrase meant that if the exporting Member was prohibited from allowing the information to be used for judicial proceedings, then a specific, separate request could be made asking how such information could be obtained and used, i.e. what other relevant procedures would need to be cited.

1.35 The representative of the United States said that her delegation had serious concerns with India's text and would need more time to read it through. In response to India, she added some more specific preliminary comments on the suggested text. For example, the meaning of the word "should" in the first paragraph was not clear and could be problematic. She added that item (iii) would need further reflection. The listings at the end of the second paragraph were more in line with Option C; and the second-to-last point was an issue that her delegation had previously said that it would welcome examining. Finally, her delegation had serious objections to the first and fourth sentences of the second paragraph. In sum, her delegation had problems with the full text of paragraph two except the last listing of items which it would look at in terms of a Guide, not a binding obligation on Members beyond what was in Article 10, in paragraph 8.3 and in national laws and procedures. Her delegation's interest in examining the possibility for a Committee decision had been based on the constructive process in which Members had been engaged.

1.36 The representative of Singapore indicated that her delegation's concerns remained as in earlier interventions. Paragraph 2 of India's text presented the main concern as it appeared to touch on areas like mutual, legal assistance which was an entirely different issue involving other legal agencies in Singapore. In particular, India's sentence asking for indication of the proper legal channel should such a request come through the importing country for use in judicial proceeding seemed to touch more on mutual legal assistance types of procedures that went beyond paragraph 8.3. Certain portions of paragraph 8.3 were important to her delegation. As drafted, certain parts of India's suggested text seemed inconsistent with these portions, particularly the sentence calling for respecting the exporting members' national laws and procedures. Based on these suggestions, her delegation would have to reconsider whether it could agree to a stand-alone decision.

1.37 The representative of Thailand also raised concerns with the Indian suggestions, which it considered brought the work back to the period before the Chair's consultations. In particular, her delegation could not accept the suggested Indian text in the second paragraph because it would alter his delegation's understanding of paragraph 8.3.

1.38 The representative of Hong Kong, China indicated that his delegation would study the Indian suggested text and come back with specific comments later. Preliminarily, he noted that the second

paragraph of the text appeared problematic as did the apparently automatic requirement for Members to provide information as evidence in judicial proceedings. It was for these reasons that he did not believe that his delegation could work on the basis of India's suggested text.

1.39 The representative of Chinese Taipei said that he would report India's suggested text back to his capital for instructions. Preliminarily, he indicated that he was uncomfortable with it. While his delegation had been inclined to agree to a Committee decision on the matter, given the suggested text, it would have to reconsider. The suggestions did appear to take the work backwards and he agreed that it was better to have a good result rather than a quick one.

1.40 The representative of India clarified that her delegation had not changed its position. It had consistently maintained the same views throughout the Chair's consultations. She regretted that such an impression had been created. Her delegation was simply reiterating its proposal in G/VAL/W/102 to operationalize paragraph 8.3. There should be no impression that her delegation was taking the work backwards. Although the Chair's consultations were on-going, many Members had not been part of that process nor been familiar with the draft texts. She recalled also that the General Council did not impose a deadline on the Committee but asked it to report when the work had been completed. Obviously her delegation was working towards reaching a good decision as early as possible and her delegation maintained its openness to continue working on this draft and its suggested text.

1.41 The representative of the United States said that, previously, she had sensed an emerging consensus. However, since the Committee did not have a deadline, it could continue to work towards a good solution rather than a quick one. This item was on the agenda of the General Council's upcoming meeting because the Committee thought it might have completed its work by then. The Committee was not required to make a report if it is not ready. Her delegation was interested in continuing the work in the Committee as well as consulting bilaterally with India on some of the issues.

1.42 The representative of Brazil applauded the positive attitude of Members at the meeting as well as the flexibility shown. He believed that the Committee had to concentrate on what it wanted to achieve with this work and on which draft text it wished to base its continuing work. He acknowledged the US concern about agreeing to the format of a decision until it could agree to the substance of that decision. But this could create a chicken and egg type of situation. His delegation would be willing to accept the Chair's text as a basis, and delegations would be free to suggest additions, removals, adjustments in language, etc. The Committee could then determine if there was a critical mass to arrive at acceptable substance, and on that basis, a final determination could be made on whether the decision approach was the right one.

1.43 The representative of the European Communities, noting all the previous work done by the Committee in this area, considered that the Brazilian sentiments went in the right direction. However, with regard to a Committee decision, he again noted that such decisions were relatively rare and usually took considerable time to produce. He cautioned against adding and dropping elements and at the end labelling the product a decision. Nevertheless, the Committee should continue to work constructively and respond to concerns on all sides. His delegation found the TCCV report balanced. It provided flexibility to Members, as well as procedures and operations to facilitate the exchange of information. Therefore, he believed that India's concerns were addressed in the TCCV report. His delegation was bothered by the suggestion that the only thing to do was to operationalize paragraph 8.3. This had been a starting-point earlier but a large amount of work had been done in the meantime. Good tools existed that should be put into use and then assessed at a later point in time. This was why options B and C, for example, of the Chair's text showed the way ahead. To conclude, he considered that the Committee had progressed quite far and that Members should ask themselves if they were not prepared to conclude this work on that basis.

1.44 The representative of the United States supported the views of the EC. The question was whether there was anything to be added from the Indian suggestions which would not run afoul of the fundamental concerns of many Members.

1.45 The Committee took note of the statements made. It agreed to request the Chairman of the General Council to inform Members that the Chairman of the Committee had carried out consultations on paragraph 8.3, that the Committee had not yet concluded its work on the matter, and that, once it completed its work, would report to the General Council on the outcome of this work. The Committee also agreed to suspend consideration of this agenda item.

1.46 The Chairman informed Members that the Committee would carry out China's Transitional Review Mechanism at its last meeting of the year, on 6 October 2003.

1.47 The meeting was adjourned.

Annex I

**REPORT TO THE COMMITTEE ON CUSTOMS VALUATION ON THE ACTIVITIES OF
THE TECHNICAL COMMITTEE ON CUSTOMS VALUATION AND VALUATION
TECHNICAL ASSISTANCE PROGRAMMES**

I am reporting to you today on behalf of the Chairperson of the Technical Committee on Customs Valuation (Technical Committee) and also the WCO Secretariat. I will begin by briefing you on the outcome of the 16th Session of the Technical Committee, which was held at the WCO Headquarters in February and April/May of this year.

16th Session

In January 2003, the Chairperson and the Secretariat notified all Members of the receipt of the Terms of Reference from the WTO Committee on Customs Valuation (this Committee) and of the deadline of 15 May 2003 for the Technical Committee's response. Since the Technical Committee was not scheduled to hold its 16th Session until 28 April to 2 May 2003, and in view of the amount of work involved in developing an agreed response, the Chairperson and the Secretariat were of the opinion that an earlier meeting was necessary and that the 16th Session should be held in two meetings. Members were advised accordingly.

The first part of the 16th Session was held at the WCO Headquarters from 26 to 28 February 2003. Forty-three delegations and three international organisations participated.

The second part of the 16th Session was held at the WCO Headquarters from 28 April to 2 May 2003. Sixty-nine delegations and three international organisations participated.

All of the first part of the 16th Session and the bulk of the second part of the 16th Session of the Technical Committee was dedicated to responding to the Terms of Reference for the Work of the Technical Committee on Customs Valuation in Connection with Concerns on the Accuracy of the Declared Value received from this Committee.

Terms of Reference

At the second part of the 16th Session, the Technical Committee finalized a consensus response to the Terms of Reference. On May 9, the response was forwarded to this Committee. The following summary highlights portions of the response.

- Under TOR 1 the Technical Committee examined the elements in the format in the Annex of G/VAL/W/102 as requested. The Technical Committee response notes that there were questions on Point 4, Part B of the Annex involving the type of information that might be sought by a Requesting Party. In addition, there was discussion of Point 2, Part C involving use of information in judicial proceedings in the receiving country. Please refer to paragraphs 4 through 6 of the response for further elaboration of the Technical Committee's discussions.
- In addition, the Technical Committee completed its work on a Guide to the Exchange of Customs Valuation Information, which is annexed to the response to the Terms of Reference. This Guide is comprised of a Preamble, a Checklist regarding valuation verification actions to be taken by the

Customs administration of an importing country before requesting information from the Customs administration of the exporting country, and Recommended Procedures for the exchange of valuation information.

- In response to the second bullet under the first TOR, the Technical Committee identified the bilateral approach to the exchange of information as the desirable means for such exchange in many cases. The benefits of the bilateral approach are identified in paragraph 9 of the Response. Some of the practical obstacles to this approach are identified in paragraph 10 of the response. Finally, several Members supported the position that the bilateral approach should not be the only or the ideal solution and preferred the multilateral approach to the exchange of information in many cases.
- In response to the third bullet concerning the techniques or processes used by Customs administrations in the final determination and/or verification in respect of the value of goods, the Technical Committee identified a number of techniques and processes that begin prior to the importation of the goods and continue until all post importation checks have been completed. The Custom Valuation Control Handbook developed by the Technical Committee is identified as a useful tool in the determination and/or verification of the value of imported merchandise. Please see paragraphs 12 through 15 of the Response for the detailed list compiled by the Technical Committee.
- Pursuant to the fourth bullet point under TOR 1, the Technical Committee concluded that requests for information should be made in writing or electronically, and that an ideal time frame for the exchange of information cannot be fixed because the response time varies depending largely on the nature of the information requested. However, the Technical Committee recommends that replies to requests for information should be communicated as quickly as possible and preferably within a mutually agreed time frame.
- Concerning the fifth bullet, about the usefulness of contact points for the exchange of information on export values, the Technical Committee agreed that contact points are essential for the fast, simple and effective exchange of information. The appropriate office, preferably at the Headquarters level, should be identified. The WCO can serve to centralize the contact point information.
- Finally, the Technical Committee in paragraphs 20 through 27, concluded that there are several necessary components of the Customs compliance framework that had to be addressed to provide a complete response to the first Term of Reference.
- With respect to the second Term of Reference, the Technical Committee continued its work with regard to the preparation of Guidelines for the Development and Use of a National Valuation Database as a Risk Assessment Tool. In reporting on this item, the Secretariat provided the Technical Committee with the outcomes of the Secretariat questionnaire that had been circulated to Members with regard to this matter. Almost 60 responses have been received to date. The Technical Committee also took note of the Symposium on Valuation Databases that had been organised by the Secretariat immediately prior to the second part of the 16th Session as another source of information for the draft Guidelines. I will be reporting on that Symposium in a little more detail later in this report. The Guidelines for the Development and Use of a National Valuation Database as a Risk Assessment Tool, that had been drafted by the Secretariat will be examined by the Technical Committee for the first time at its 17th Session.
- The third point in the Terms of Reference, which asked the Technical Committee to “indicate the feasibility of making a distinction between cases of fraud and suspected fraud within the context

of exchange of information on Customs value” generated much discussion. The Technical Committee agreed that such a distinction depended on the burden of proof needed to establish fraud and the evidence that was available to meet that burden, which would be subject to national law. Please see Paragraphs 30 through 33 of the Response for a detailed discussion of this item.

- In regard to the fourth point in the Terms of Reference, the Technical Committee addressed the fact that cooperation and assistance between Customs administrations can take many forms. In the area of Customs valuation, the Technical Committee agreed that the major attribute of cooperation between administrations is the ability to share lessons learned from practical application of the Valuation Agreement as well as the exchange of best practices for administration of the Agreement. Further, the Technical Committee identified specific existing forms of technical assistance, new capacity building initiatives and potential additional capacity building initiatives that might be appropriate to address concerns regarding the accuracy of the declared value. Please see paragraphs 30 through 48 for the detailed discussion of these issues.

Other Items at the 16th Session

At both the first and second parts of the 16th Session, the Technical Committee was advised of the on-going work within the WCO on mutual administrative assistance and the systematic advance exchange of information between Customs administrations. In this connection, the Technical Committee received briefings on the work regarding Trade Supply Chain Security, the WCO Customs Data Model and the draft Multilateral Convention on Mutual Administrative Assistance.

B. TECHNICAL AGENDA ITEMS

The Technical Committee had been scheduled to continue examination of two technical issues at the 16th Session. These were : “the valuation treatment of importations by sole traders, sole distributors and sole concessionaires” and, “the expression ‘sold for export’”. However, due to the time needed to examine and finalise the Technical Committee’s response to the Terms of Reference, these technical items were postponed and will be examined at the 17th Session in October 2003.

C. TECHNICAL ASSISTANCE

The Secretariat reported that one national and one regional technical assistance programme has been delivered since the 15th Session. The Technical Committee was informed that the national programme was the first programme delivered by the Secretariat to the Bhutan Customs Administration and that the regional programme, held in New Delhi, India, was the first such programme to be filmed. The Technical Committee recognised that the sharing of discussions in the regional workshop with other interested administrations via CD-ROM could be a valuable new training tool. The Secretariat also participated in a regional valuation seminar in Seoul, Korea, and a joint Commonwealth Secretariat/WTO regional workshop in South Africa.

I would like to take this opportunity to re-affirm that the WCO and WTO Secretariats continue to seek new ways to work more closely together, especially in the area of valuation technical assistance.

The WCO/USAID valuation technical assistance programme to Kenya, Lesotho, Nigeria, Senegal and Tanzania is continuing in full force with the assistance of the Customs administrations of Canada, France, Morocco, the Netherlands, the United States and the United Kingdom. As a result of world events, however, it has become necessary to extend the programme’s completion date from 31 July to 31 December 2003. I hope to be able to give you a full assessment of the impact of that programme on the five participating Customs administrations in the Spring of next year.

As I mentioned previously, the Secretariat also informed the Technical Committee of the Symposium on Valuation Databases that was held at the WCO Headquarters on 24 and 25 April 2003 for Members. The Symposium topics covered the “Use of Declared Values Obtained from Databases in Risk Management”; “Use of Other Risk Elements Obtained from Databases in Risk Management”; Examination of Declared Values and the Use of Databases” and, “Post-Clearance Audit and the Use of Databases”. Presentations were made by developed and developing country administrations and UNCTAD and the WCO. Over 70 Members were represented in the Symposium which was considered to be very successful and should provide excellent input into the development of the Guidelines to the Development and Use of a National Valuation Database as a Risk Assessment Tool by the Technical Committee later this year.

The Secretariat advised the Technical Committee that the new English version of the Basic Valuation Training Module was now available on CD-ROM and that the French and Spanish versions would be available soon. The Secretariat also informed the Technical Committee that the Intermediate/Advance Valuation Module was being developed in co-operation with the French and UK Customs Administrations.

The Customs Administrations of Canada, France, Japan, and the Slovak Republic reported on their technical assistance activities to the Technical Committee. The recipient Members of that assistance were Bolivia, Chile, Hungary, Indonesia, Latvia, Lithuania, Malaysia, Moldavia, St. Lucia, Singapore, Thailand, Uruguay and Vietnam.

Finally, I would like to advise you that the 16th Session was the last meeting to be chaired by Ms. Virginia Brown of the United States. The new Chairperson is Mme. Hakima Azizi of Morocco and the Vice-Chairs are Mr. A.M. Masrur Ahmad of Bangladesh and Mr. J. Arndell of Australia. Mme. Azizi and Mr. Masrur Ahmad have been Vice-Chairs for some time. The Technical Committee warmly congratulated Ms. Brown on her work as Chairperson over the past three years and especially highlighted her work in developing a consensus response to the Terms of Reference.
