

Committee on Customs Valuation

**FIFTH ANNUAL REVIEW OF THE IMPLEMENTATION AND
OPERATION OF THE AGREEMENT ON IMPLEMENTATION
OF ARTICLE VII OF THE GENERAL AGREEMENT
ON TARIFFS AND TRADE 1994**

Background Working Document by the Secretariat

This working document is circulated by the Secretariat in preparation for the fifth annual review of the implementation and operation of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (the Agreement), to be conducted at the forthcoming meeting on 12 November 1999. As indicated in the text below, this document will have to be updated in light of the discussion at that meeting in order to give a full picture of the developments in the Committee during the current year.

Article 23 of the Agreement provides that "the Committee shall review annually the implementation and operation of this Agreement taking into account the objectives thereof".

The main objectives of the Agreement are those listed in the General Introductory Commentary. The annual review of the Committee should cover the implementation and operation of the Agreement in the light of its objectives and specific obligations.

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I. MEMBERS, DELAYED APPLICATIONS, RESERVATIONS AND OBSERVER STATUS

(a) WTO Members (135)

Angola	Germany	Nicaragua
Antigua and Barbuda	Ghana	Niger
Argentina	Greece	Nigeria
Australia	Grenada	Norway
Austria	Guatemala	Pakistan
Bahrain	Guinea Bissau	Panama
Bangladesh	Guinea, Rep.of	Papua New Guinea
Barbados	Guyana	Paraguay
Belgium	Haiti	Peru
Belize	Honduras	Philippines
Benin	Hong Kong, China	Poland
Bolivia	Hungary	Portugal
Botswana	Iceland	Qatar
Brazil	India	Romania
Brunei Darussalam	Indonesia	Rwanda
Bulgaria	Ireland	Saint Kitts and Nevis
Burkina Faso	Israel	Saint Lucia
Burundi	Italy	Saint Vincent & Grenadine
Cameroon	Jamaica	Senegal
Canada	Japan	Sierra Leone
Central African Republic	Kenya	Singapore
Chad	Korea	Slovak Republic
Chile	Kuwait	Slovenia
Colombia	Kyrgyz Republic	Solomon Islands
Congo	Latvia	South Africa
Congo, Democratic Republic of the	Lesotho	Spain
Costa Rica	Liechtenstein	Sri Lanka
Côte d'Ivoire	Luxembourg	Suriname
Cuba	Macau	Swaziland
Cyprus	Madagascar	Sweden
Czech Republic	Malawi	Switzerland
Denmark	Malaysia	Tanzania
Djibouti	Maldives	Thailand
Dominica	Mali	Togo
Dominican Republic	Malta	Trinidad and Tobago
EC	Mauritania	Tunisia
Ecuador	Mauritius	Turkey
Egypt	Mexico	Uganda
El Salvador	Mongolia	United Arab Emirates
Estonia	Morocco	United Kingdom
Fiji	Mozambique	United States
Finland	Myanmar	Uruguay
France	Namibia	Venezuela
Gabon	Netherlands	Zambia
Gambia	New Zealand	Zimbabwe

(b) Delayed Application and Reservations

The provisions for special and differential treatment available for developing country Members have been invoked as follows:

(i) *Article 20.1 (delayed application of the provisions of the Agreement) (55)*

Bahrain	Kuwait
Bangladesh	Madagascar
Benin	Malaysia
Bolivia	Mali
Brunei Darussalam	Maldives
Burkina Faso	Malta
Burundi	Mauritania
Cameroon	Mauritius
Central African Republic	Myanmar
Chad	Nicaragua
Chile	Niger
Colombia	Nigeria
Costa Rica	Pakistan
Côte d'Ivoire	Paraguay
Cuba	Peru ¹
Djibouti	Philippines
Dominican Republic	Senegal
Ecuador	Sri Lanka
Egypt	Tanzania
El Salvador	Thailand
Ghana	Togo
Guatemala	Tunisia
Guyana	Uganda
Haiti	United Arab Emirates
Honduras	Uruguay
Indonesia	Venezuela
Jamaica	Zambia
Kenya	

¹The invocation of the special provisions available for developing country Members under the Customs Valuation Agreement 1979 continued to apply for Peru in accordance with the Decision in WT/L/38 until 1 April 1999. Pursuant to the provisions of paragraph 3 of Article IX of the WTO Agreement, the General Council decided to grant Peru an additional one-year delay in implementing the Agreement (WT/L/307).

(ii) *Article 20.2 (delayed application of the computed value method) (51)*

Bahrain	Madagascar
Bangladesh	Malaysia
Bolivia	Mali
Brunei Darussalam	Malta
Burkina Faso	Mauritania
Burundi	Mexico ¹
Cameroon	Morocco ¹
Chile	Myanmar
Colombia	Nicaragua
Costa Rica	Nigeria
Côte d'Ivoire	Pakistan
Djibouti	Peru ¹
Dominican Republic	Philippines
Egypt	Senegal
Ecuador	Singapore
El Salvador	Sri Lanka
Gabon	Tanzania
Guatemala	Thailand
Guyana	Togo
Haiti	Tunisia
Honduras	Turkey ¹
Indonesia	United Arab Emirates
Israel	Uruguay
Jamaica	Venezuela
Kenya	Zambia
Kuwait	

(iii) *Annex III, paragraph 2 (reservation concerning minimum values) (37)*

Bahrain	Kenya	Philippines
Bangladesh	Madagascar	Senegal
Burkina Faso	Maldives	Singapore
Chile	Mali	Sri Lanka
Colombia	Malaysia	Thailand
Côte d'Ivoire	Malta	Togo
Djibouti	Mauritania	Tunisia
Dominican Republic	Morocco	Uganda
Guatemala	Myanmar	Uruguay
Guyana	Niger	Venezuela
Haiti	Pakistan	Zambia
Indonesia	Paraguay	
Jamaica	Peru ¹	

¹The invocation of the special provisions available for developing country Members under the Customs Valuation Agreement 1979 shall continue to apply under the WTO Customs Valuation Agreement for the developing country Member concerned (WT/L/38).

(iv) *Annex III, paragraph 3 (reservation concerning reversal of sequential order of Articles 5 and 6) (53)*

Argentina ¹	Guyana	Nicaragua
Bahrain	Haiti	Pakistan
Bangladesh	Honduras	Peru ¹
Brazil ¹	India ¹	Philippines
Brunei Darussalam	Indonesia	Senegal
Burkina Faso	Israel	Singapore
Cameroon	Jamaica	Sri Lanka
Chile	Kenya	Thailand
Colombia	Madagascar	Togo
Costa Rica	Maldives	Tunisia
Côte d'Ivoire	Malawi ¹	Turkey ¹
Djibouti	Malaysia	Uganda
Dominican Republic	Mali	United Arab Emirates
Ecuador	Malta	Uruguay
Egypt	Mexico ¹	Venezuela
El Salvador	Morocco ¹	Zambia
Gabon	Myanmar	Zimbabwe ¹
Guatemala	Niger	

(v) *Annex III, paragraph 4 (reservation concerning application of Article 5.2 whether or not the importer so requests) (51)*

Argentina ¹	Guatemala	Nicaragua
Bahrain	Guyana	Niger
Bangladesh	Haiti	Nigeria
Brazil ¹	Honduras	Pakistan
Brunei Darussalam	India ¹	Peru ¹
Burkina Faso	Indonesia	Philippines
Cameroon	Israel	Senegal
Chile	Jamaica	Singapore
Colombia	Kenya	Sri Lanka
Costa Rica	Madagascar	Thailand
Côte d'Ivoire	Maldives	Togo
Djibouti	Malaysia	Tunisia
Dominican Republic	Mali	Turkey ¹
Ecuador	Malta	Uruguay
Egypt	Mexico ¹	Venezuela
El Salvador	Morocco ¹	Zambia
Gabon	Myanmar	Zimbabwe ¹

¹The invocation of the special provisions available for developing country Members under the Customs Valuation Agreement 1979 shall continue to apply under the WTO Customs Valuation Agreement for the developing country Member concerned (WT/L/38).

(c) Observer Governments (39)

Albania	Lebanon
Algeria	Lithuania
Andorra	Moldova
Armenia	Nepal
Azerbaijan	Oman
Belarus	Russian Federation
Bhutan	Samoa
Bosnia	San Marino
and Herzegovina	São Tomé
Cambodia	and Príncipe
Cape Verde	Saudi Arabia
China, Peoples Rep.	Seychelles
Croatia	Sudan
Equatorial Guinea	Taipei, Chinese
Ethiopia	Tonga
Former Yugoslav Rep. of Macedonia	Ukraine
Georgia	Uzbekistan
Holy See	Vanuatu
Jordan	Viet Nam
Kazakhstan	Yemen
Laos, P.D.R. of	

(d) Observer International Organizations (5)¹

World Customs Organization
IMF
UNCTAD
ACP
IADB

¹These organizations now have official observer status following Agreement in the Committee (G/VAL/M/5) and Agreements between the World Bank and the IMF with the WTO (WT/L/195).

(e) Observer International Organizations (5)²

World Customs Organization
IMF
UNCTAD
ACP
IADB

II. OFFICERS OF THE WTO COMMITTEE ON CUSTOMS VALUATION

Chairperson: Mr. Edward Brown (United Kingdom)
Vice-Chairperson: Mr. Syed Habib Ahmed (Pakistan)

III. MEETINGS OF THE COMMITTEE

During the reporting period, the Committee has held three meetings on 26 April, 4 October, and on 12 November. The minutes of these meetings are contained in documents G/VAL/M/10, G/VAL/M/11, [and G/VAL/M/12 (to be issued)], respectively.

IV. NATIONAL LEGISLATION PRESENTED

(i) *Texts of national legislation*

Article 22 of the Agreement requires each Member to inform the Committee of any changes in its laws and regulations relevant to the Agreement and in the administration of such laws and regulations. At its first meeting, the Committee agreed on procedures for the notification of national legislation (G/VAL/M/1, paragraphs 29-35, 71 and 72).

During the reporting period, the following communications and texts have been submitted:

Brazil (G/VAL/N/1/BRA/2)
Czech Republic (G/VAL/N/1/CZE/3)
Gabon (G/VAL/N/1/GAB/1)
Latvia (G/VAL/N/1/LVA/1)
Morocco (G/VAL/N/1/MAR/1/Rev.1)
Namibia (G/VAL/N/1/NAM/1)
Poland (G/VAL/N/1/POL/1)
Romania (G/VAL/N/1/ROM/2)
Suriname (G/VAL/N/1/SUR/1)
Trinidad and Tobago (G/VAL/N/1/TTO/1)

(ii) *Checklist of issues*

At its first meeting, the Committee agreed on procedures for the submission of a checklist of issues (G/VAL/M/1, paragraphs 36-39).

²These organizations now have official observer status following Agreement in the Committee (G/VAL/M/5) and Agreements between the World Bank and the IMF with the WTO (WT/L/195).

During the reporting period, the following communications have been submitted:

Canada (G/VAL/N/2/CAN/1)
Czech Republic (G/VAL/N/2/CZE/1)
Iceland (G/VAL/N/2/ISL/1)
Latvia (G/VAL/N/2/LVA/1)
Morocco (G/VAL/N/2/MAR/1)
Trinidad and Tobago (G/VAL/N/2/TTO/1)

(iii) *Examination of national legislation*

At its meeting of 26 April 1999, the Committee pursued its examination of various communications and implementing legislations. The Committee agreed to conclude the examination of the legislations of Cyprus, Iceland, Latvia, Mexico, Poland, Suriname, and Trinidad and Tobago. It agreed to continue examination of the legislation of Brazil, Israel, Morocco, Panama. The Committee noted that 56 developing countries had evoked the delay period provided in Article 20.1, and that 30 of these countries would have to apply the Agreement by 1 January 2000 and another 20 by the end of the year 2000.

[To be updated following meeting of 12 November].

(iv) *Information on the application of the Committee Decisions*

Information on the application of the Decision on the Treatment of Interest Charges in the Customs Value of Imported Goods and of paragraph 2 of the Decision on the Valuation of Carrier Media Bearing Software for Data Processing Equipment (G/VAL/5), made available by Members, is summarized in document G/VAL/W/5/Rev.6.

V. AMENDMENTS, INTERPRETATIONS AND RECTIFICATIONS OF THE TEXT OF THE AGREEMENT

At its first meeting on 12 May 1995, the Committee adopted the decisions relating to the interpretation of the Agreement, which had previously been adopted by the Tokyo Round Committee (G/VAL/M/1, paragraphs 66-67). The decisions were reproduced in document G/VAL/5. No new decisions relating to the interpretation of the Agreement were adopted during the reporting period.

VI. OTHER DECISIONS TAKEN BY THE COMMITTEE

At its first meeting on 12 May 1995, the Committee adopted other decisions which are contained in document G/VAL/5. The Committee also adopted decisions that were referred by the Ministers at Marrakesh to the Committee for adoption. The texts of the decisions are contained in document G/VAL/1. No other decisions were adopted during the reporting period.

VII. TECHNICAL ASSISTANCE

Technical assistance aimed at helping countries in their preparations for the application of the Agreement has continued to be a matter of high priority to Members, to the Committee and to the Technical Committee during the reporting period. At the April meeting, the WTO Secretariat briefed the Committee on the progress and plans for its Technical Assistance Programme on Customs Valuation. It was agreed that Members would continue to respond to the request for information which

could help Members to design bilateral and regional technical assistance activities as well as feed into the WTO Secretariat Programme.

[To be completed in light of the November 1999 meeting.]

VIII. REPORTS BY THE TECHNICAL COMMITTEE ON CUSTOMS VALUATION

Meetings of the Technical Committee

The representative of the World Customs Organization (WCO) presented detailed oral reports on the Eighth and [Ninth] Sessions of the Technical Committee on Customs Valuation, held on 29 March - 1 April 1999 [and on 22 - 26 November 1999, respectively].

The Committee on Customs Valuation took note of these reports and expressed appreciation for the continued valuable work of the Technical Committee.

IX. CONSULTATION AND DISPUTE SETTLEMENT

During the reporting period, the European Communities initiated consultations with Brazil pursuant to Article 19 of the WTO Agreement on Implementation of Article VII of the GATT 1994, Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes, Article XXII of the GATT 1994, Article 19 of the WTO Agreement on Agriculture, and Article 6 of the Agreement on Import Licensing Procedures on a number of Brazilian measures, procedures and practices.

X. ANNUAL REPORT TO THE COUNCIL FOR TRADE IN GOODS

The Committee adopted its annual report to the Council for Trade in Goods in accordance with the requirements of Article 23 of the Agreement (G/VAL/W/39).

[Document to be finalized in light of the discussion at the November 1999 meeting.]

ANNEX I

Information on National Legislation

Below are listed the references of the documents¹ containing national laws, regulations etc. and replies to the Checklist of Issues (VAL/2/Rev.1 and Rev.2) received from Signatories.

<u>Member</u>	<u>National legislation</u>	<u>Replies to the Checklist of Issues</u>
Argentina	VAL/1/Add.22 + Suppl. 1-4 + Suppl.2/Rev.1 G/VAL/N/1/ARG/1	VAL/2/Rev.2/Add.4
Australia	VAL/1/Add.14 + Suppl.1-4 G/VAL/N/1/AUS/1	VAL/2/Rev.1/Add.12 + Suppl.1
Botswana	VAL/1/Add.16	Not received
Brazil	VAL/1/Add.20 + Suppl.1 G/VAL/N/1/BRZ/1	VAL/2/Rev.2/Add.3
Bulgaria	G/VAL/N/1/BGR/1	
Canada	VAL/1/Add.17 + Suppl.1-3 G/VAL/N/1/CAN/1 G/VAL/N/1/CAN/2	VAL/2/Rev.1/Add.14 G/VAL/N/2/CAN/1
Cyprus	VAL/1/Add.26 G/VAL/N/1/CYP/2	VAL/2/Rev.2/Add.7
Czech Rep.	VAL/1/Add.18 + Suppl.1/ Corr.1-2 G/VAL/N/1/CZE/1 G/VAL/N/1/CZE/2 G/VAL/N/1/CZE/3	VAL/2/Rev.1/Add.15 + Suppl.1 G/VAL/N/2/CZE/1
EEC	VAL/1/Add.2 + Suppl.1-13 + Suppl.1 G/VAL/N/1/EEC/1/Rev.1	VAL/2/Rev.1/Add.6
Fiji	G/VAL/N/1/FJI/1	G/VAL/N/2/FJI/1
Gabon	G/VAL/N/1/GAB/1	
Hong Kong, China	VAL/1/Add.9 G/VAL/N/1/HKG/1	Not applicable
Hungary	VAL/1/Add.6 G/VAL/N/1/HUN/1	VAL/2/Rev.1/Add.4
Iceland	G/VAL/N/1/ISL/1	G/VAL/N/2/ISL/1
Israel	G/VAL/N/1/ISR/1	
India	VAL/1/Add.24 + Suppl.1 G/VAL/N/1/IND/2	VAL/2/Rev.2/Add.6
Japan	VAL/1/Add.7 G/VAL/N/1/JPN/1	VAL/2/Rev.1/Add.8
Korea, Rep.of	VAL/1/Add.19 + Suppl.1-4 + Suppl.2/Corr.1-2 + Suppl.3/Corr.1	VAL/2/Rev.2/Add.1 + Suppl.1

¹ Documents beginning with "VAL" are documents issued under the Tokyo Round Committee on Customs Valuation

	G/VAL/N/1/KOR/1	
Latvia	G/VAL/N/1/LVA/1	G/VAL/N/2/LVA/1
Lesotho	VAL/1/Add.21 + Suppl.1	VAL/2/Rev.2/Add.2
Liechtenstein	G/VAL/N/1/LIE/1	
Macau	G/VAL/N/1/MAC/1	
Malawi	VAL/1/Add.27	
	G/VAL/N/1/MWI/1	
Mexico	VAL/1/Add.25 + Suppl.1-3 + Suppl.1/Rev.1	VAL/2/Rev.2/Add.8
Morocco	G/VAL/N/1/MAR/1and Rev.1	G/VAL/N/2/MAR/1
Namibia	G/VAL/N/1/NAM/1	
New Zealand	VAL/1/Add.12 + Suppl.1	VAL/2/Rev.1/Add.10
	G/VAL/N/1/NZL/1	
Norway	VAL/1/Add.11 + Corr.1 + Suppl.1-2	VAL/2/Rev.1/Add.7
	G/VAL/N/1/NOR/1	
Panama	G/VAL/N/1/PAN/1	G/VAL/N/2/PAN/1
Poland	VAL/1/Add.28	
Romania	VAL/1/Add.8 + Suppl.1-2	VAL/2/Rev.1/Add.9
	G/VAL/N/1/ROM/1	
	G/VAL/N/1/ROM/2	
Slovak Rep.	VAL/1/Add.18 + Suppl.1/ Corr.1-2	VAL/2/Rev.1/Add.15 + Suppl.1
	G/VAL/N/1/SVK/1	
Slovenia	G/VAL/N/1/SVN/1	G/VAL/N/2/SVN/1
Singapore	G/VAL/N/1/SGP/1	G/VAL/N/2/SGP/1
South Africa	VAL/1/Add.15 + Corr.1 + Suppl.1-3	VAL/2/Rev.1/Add.13
	G/VAL/N/1/ZAF	
Suriname	G/VAL/N/1/SUR/1	
Switzerland	VAL/1/Add.5	Not applicable
	G/VAL/N/1/CHE/1	
Trinidad and Tobago	G/VAL/N/1/TTO/1	G/VAL/N/2/TTO/1
Turkey	VAL/1/Add.29	
	G/VAL/N/1/TUR/1	
United States	VAL/1/Add.1 + Suppl.1-5	VAL/2/Rev.1/Add.1
	G/VAL/N/1/USA/1	
Zimbabwe	VAL/1/Add.23	VAL/2/Rev.2/Add.5
	G/VAL/N/1/ZWE/1	