

**COMMUNICATION FROM SRI LANKA CONCERNING PARAGRAPH 1 OF
ANNEX III OF THE AGREEMENT ON IMPLEMENTATION
OF ARTICLE VII OF THE GENERAL AGREEMENT
ON TARIFFS AND TRADE 1994**

Addendum

Draft Decision

TAKING NOTE of the Government of Sri Lanka's request under Paragraph 1 of Annex III of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 ("WTO Agreement on Customs Valuation"), done at Marrakesh on 15 April 1994, to extend its delay in the application of the provisions of that Agreement;

RECOGNIZING that on 1 January 1995, Sri Lanka became a contracting party to the WTO Agreement on Customs Valuation and invoked paragraph 1 of Article 20 of that Agreement to delay application of its provisions for a period of five years from the date of entry into force of the Agreement on 1 January 1995, and was therefore scheduled to apply the provisions of that Agreement by 1 January 2000;

NOTING that Sri Lanka was granted a one-year delay in its application of the provisions of the WTO Agreement on Customs Valuation from 1 January 2000 to 1 January 2001¹, and, due to unforeseen developments, was granted a further delay until 31 October 2001²;

NOTING that, as indicated in its request in G/VAL/W/90 and G/VAL/W/90/Corr.1, Sri Lanka's request for a further delay is solely due to the unforeseen delay in the passage of the domestic legislation for implementing the WTO Agreement on Customs Valuation arising from the unexpected dissolution of the Sri Lankan Parliament on 11 October 2001;

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

CONSIDERING Sri Lanka has continued its substantial efforts to implement the provisions of the WTO Agreement on Customs Valuation and has proceeded in completing, as scheduled, the technical, administrative and training measures set out in its detailed work programme described in G/VAL/23;

CONSIDERING that Sri Lanka has and continues to receive technical assistance in support of the implementation and application of the WTO Agreement on Customs Valuation;

NOTING that Sri Lanka will continue to limit the application of minimum values for customs valuation purposes during this requested extension in the delay of its application of the WTO

¹ G/VAL/23.

² G/VAL/41.

Agreement on Customs Valuation to used motor vehicles classified under H.S. headings 87.01, 87.02, 87.03 and 87.04;

NOTING that Sri Lanka will implement and apply by 30 April 2002 Paragraph 2 of the Decision on the Valuation of Carrier Media Bearing Software for Data Processing Equipment³;

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

Members, acting pursuant to the provisions of paragraph 1 of Annex III of the WTO Agreement on Customs Valuation,

DECIDE, in view of the exceptional circumstances set out above, in particular the unforeseen delay in the legislative process, that:

1. Subject to the terms and conditions set out hereunder, Sri Lanka may delay further the application of the provisions of the WTO Agreement on Customs Valuation for a period not extending beyond 30 April 2002.
2. The Government of Sri Lanka shall report to the Committee on Customs Valuation by 31 January 2002 on the progress in completing the legislative process for implementing domestically the WTO Agreement on Customs Valuation.
3. This Decision shall not prejudice the rights and obligations of Sri Lanka under the WTO Agreements, in particular those rights and obligations under the WTO Agreement on Customs Valuation.

³ G/VAL/5.