

# WORLD TRADE ORGANIZATION

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Committee on Customs Valuation

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## NOTIFICATION CONCERNING THE DECISION UNDER PARAGRAPH 1 OF ANNEX III OF THE AGREEMENT ON IMPLEMENTATION OF ARTICLE VII OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994

### JAMAICA

The following communication, dated 3 May 2000, has been received from the Permanent Mission of Jamaica.

Reference is made to the decision by the Committee on Customs Valuation on 16 March 2000 to grant Jamaica a extension of the transition period under paragraph 1 of Annex III of the Customs Valuation Agreement. Paragraph 3 of the Decision requires Jamaica to notify the Committee of the basis, criteria and other relevant information for determining the minimum values for the products listed in Annex II to the Decision.

Minimum prices/reference prices are used by Jamaican Customs to assist in the determination of value of certain specified commodities. These commodities are:

<u>Commodities</u>	<u>Tariff codes</u>
Fresh fruits	0801-0807
Fresh vegetables	0701-0709, 0713
Chicken leg quarters	0207.1490.90
Used motor vehicles	ex 8701-8705
Used chassis and bodies	ex 8706-8707
Used motor cycles	ex 8711
Used equipment	ex 8426, 8427, 8429 and 8430

The use of these minimum prices/reference prices was introduced in 1991 and 1992 to deal with certain problems being encountered by the Customs administration.

#### Fresh fruits and vegetables

The use of reference prices was introduced to combat the high incidence of fraudulent invoices presented to the Customs by importers of fresh fruits and vegetables.

These prices are determined by information gathered through intelligence, data from suppliers and information from invoices presented by low-risk importers.

Importers of these products amounted to J\$252.5 million in 1999 out of total imports of J\$104,040 million.

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### Chicken leg quarters

In 1992 the use of minimum prices was introduced to combat the high level of fraudulent invoices presented by importers. This activity seriously threatened the local poultry industry.

Prices are determined by using data provided by the United States Department of Agriculture in the Agricultural Statistics report. They are based on the average annual most efficient cost of production of a whole bird. This method has been utilized in recognition of the fact that leg quarters cannot be produced independently of whole birds.

The value of chicken leg quarters imported in 1999 was J\$474.8 million.

### Used motor vehicles

Minimum prices were introduced in 1991 to address the influx of used vehicles imported into Jamaica which resulted in a high number of importers presenting no invoices thereby requiring the customs administration to prepare Bills of Sight. Additionally the incidence of under-valuation put the revenue at risk.

Values are determined by referral to monthly guides published for this purpose.

- Glass Guides – used for vehicles imported from Europe. The retail trade price is used for the computation of values – less 20 per cent for VAT.
- NADA Guide – used for vehicles imported from the United States and Canada. The retail prices are used.
- Japanese Automobile Appraisal Institute (JAAI) Guide – used for vehicles imported from Japan. The retail price is used.
- Big Truck Trader – used for the valuation of industrial equipment and the prices quoted are treated as FOB values.

Vehicles are deemed to be "used" if they satisfy one or more of the following criteria:

1. Odometer reading shows more than 3,000 miles.
2. Vehicles owned by a third party.
3. Vehicles more than six months old.

### Used chassis and bodies

A similar method is applied to the valuation of these commodities as is applied to used motor vehicles, with adjustments made for age and part of the vehicle.

### Used motor cycles

The NADA Motor Cycle Guide published by the United States is used to determine the value of used items falling in this category. Adjustments are made for the condition of the equipment and the prices are treated as FOB values.

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