

Committee on Customs Valuation

**COMMUNICATION FROM GUATEMALA CONCERNING ANNEX III,
PARAGRAPH 1 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 Guatemala'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 21 July 1995, Guatemala 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 21 July 1995, and was therefore scheduled to apply the provisions of that Agreement by 21 July 2000;

CONSIDERING Guatemala has made substantial efforts to implement the provisions of the WTO Agreement on Customs Valuation;

CONSIDERING also that Guatemala has received technical assistance and has a continuing interest in taking advantage of technical assistance in support of implementation and application of the WTO Agreement on Customs Valuation;

NOTING Guatemala's long-standing commitment and considerable efforts in reforming and modernizing its customs administration;

NOTING also Guatemala's objective of ensuring the effective implementation and administration of the WTO Agreement on Customs Valuation;

NOTING that Guatemala's authorities have established a detailed work programme¹, involving the relevant ministries and agency, to enable the elaboration and approval of its legislation and the completion of its domestic administrative and legal procedures, including training, dissemination of information, and other actions, for implementing and applying the WTO Agreement on Customs Valuation;

NOTING that Guatemala, in regard of paragraph 2 of Annex III of the WTO Agreement on Customs Valuation, currently values goods on the basis of officially established minimum values only for the following goods:

¹ Annex 1 – Work Programme.

Product Description	HS Tariff Classification
Poultry products, fresh, chilled, frozen	0207
Rice	1006
Worn clothing and worn articles	6310
Used motor vehicles	ex 8701, ex 8702, ex 8703, ex 8704, ex 8711

NOTING also Guatemala's intention not to apply minimum values to additional products during the requested extension in the delay of its application of the WTO Agreement on Customs Valuation;

NOTING further that these minimum values will be used solely for the purposes of addressing incidences of fraudulent invoicing and other undervaluation problems in the case of the above products;

NOTING that Guatemala will implement and apply by 21 November 2001 paragraph 2 of the Decision on the Valuation of Carrier Media Bearing Software for Data Processing Equipment²;

NOTING that the Government of Guatemala does not use or plan to use preshipment inspection services for purposes of customs valuation;

RECOGNIZING Guatemala's indication that this would be a single request for an extension to delay its implementation of the WTO Agreement on Customs 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, that:

1. Subject to the terms and conditions set out hereunder, Guatemala may delay further the application of the provisions of the WTO Agreement on Customs Valuation for a period not extending beyond 21 November 2001.
2. The Government of Guatemala shall report to Committee on Customs Valuation by November 2000 and July 2001 on the progress in fulfilling the work programme in Annex I and the status of its implementation of the WTO Agreement on Customs Valuation under the terms and conditions of this Decision.
3. The Government of Guatemala will, by 30 September 2000, publish and make publicly available, in accordance with Article X of the General Agreement on Tariffs and Trade 1994, the basis, criteria and other relevant information for determining the minimum values for the products listed above.
4. The Government of Guatemala will publish and make publicly available, in accordance with Article X of the General Agreement on Tariffs and Trade 1994, any amendments or changes to the above-mentioned basis, criteria and other relevant information 60 days before implementing such changes, and will not apply such changes to importations entering its customs territory prior to the completion of this 60-day notification period.

² G/VAL/5.

5. This Decision shall not prejudice the rights and obligations of Guatemala under the WTO Agreements, in particular those rights and obligations under the WTO Agreement on Customs Valuation.

ANNEX 1

Work Programme

Application Of The Agreement On Implementation Of Article VII Of The GATT
(21 July 2000 – 21 November 2001)

Objective	Activity	Time-frame	Dates	Goals	Agency responsible
1. Formulation of the customs legal structure	(a) Adapt national customs legislation to the requirements of trade and to the commitments assumed	16 months	21.07.2000 to 30.10.2001	Main laws approved and in force: 1. New General Customs Act 2. Central American Customs Code CAUCA II and its Regulations 3. National regulations for the application of WTO valuation principles	Technical-Legal Committee
	<ul style="list-style-type: none"> • Revise proposed regulations of the Directors of Customs of Central America • Request technical cooperation from SIECA, WTO and WCO • Project development • Establish format for the declaration of value 				
	(b) Approval by Congress	6 months	01.04.2001 to 30.10.2001		Congress
	(c) Inform foreign trade intermediaries	3 months	01.05.2001 to 31.07.2001		Customs Division

Objective	Activity	Time-frame	Dates	Goals	Agency responsible
2. Simplification of customs procedures	(a) Complete electronic goods declaration system	18 months	01.01.2000 to 30.06.2001	Automated customs procedures	Technical-Legal Committee
	(b) Establish procedures for adopting the principles of the WTO Valuation Agreement	12 months	21.07.2000 to 21.07.2001	Reduce customs clearance times	Customs Division
	(c) Approval of the procedures	3 months	01.08.2001 to 30.10.2001		
	(d) Hold training courses for customs personnel, importers and trade intermediaries	5 months	01.06.2001 to 31.10.2001		
3. Train staff to apply the WTO Valuation Agreement	(a) Training programme for: <ul style="list-style-type: none"> Customs professionals and technical officers Inspectors Legal Affairs Directorate Approval 	22 months	01.01.2000 to 30.10.2001	Customs personnel 100% trained in the application of the WTO Valuation Agreement	Customs Division, Inspection Division
	(b) Request technical assistance from WTO and other organizations experienced in the application of the Agreement	5 months	21.07.2000 to 31.12.2000		

Objective	Activity	Time-frame	Dates	Goals	Agency responsible
	(c) Traineeships in countries with experience in applying the Agreement	18 months	01.01.2000 to 30.06.2001		
4. Tax education for the public	(a) Development of educational workshops for secondary students (b) Preparation and distribution of posters and leaflets on the tax calendar (due dates) (c) Publication of a web page (d) Internet advice service (e) Preparation of programmes to assist the taxpayer with form-filling	22 months	01.01.2000 to 30.10.2001	Make the public aware of its tax obligations and the functions of the State	Tax Administration Office
5. Upgrading the computer system	(a) Purchase computer equipment for customs offices and regulatory units (b) Extend customs interconnection services	12 months 12 months	01.01.2000 to 31.12.2000 30.06.2000 to 30.06.2001	Full use of computer systems for controlling customs value	Customs Division

Objective	Activity	Time-frame	Dates	Goals	Agency responsible
	(c) Draw up networking programmes	12 months	01.07.2000 to 30.06.2001		
	(d) Compile database for determining risk indicators	24 months	01.01.2000 to 31.10.2001		
	(e) Draw up risk-assessment programmes for selecting goods for examination	12 months	30.06.2000 to 30.06.2001		
6. Strengthen the Customs Management Audit Service	(a) Organize special customs audit units	12 months	01.01.2000 to 31.12.2000	Official presence at 100% of sensitive taxpayers	Inspection Division
	(b) Draw up list of importers	6 months	30.06.2000 to 31.12.2000		
	(c) Develop <i>ex post facto</i> audit programmes	6 months	01.05.2001 to 30.10.2001		
7. Strengthen the Valuation Service	Organize valuation system in accordance with WTO Agreement	16 months	30.06.2000 to 30.10.2001	Full application of WTO Valuation Agreement	Customs Division
	(a) Form working group: Valuation Unit, Inspection Division and Legal Affairs Directorate	6 months	30.06.2000 to 31.12.2000		
	(b) Strengthen the central data analysis, processing and dissemination unit and the appeals system	12 months	01.12.2000 to 31.11.2001		

Objective	Activity	Time-frame	Dates	Goals	Agency responsible
	(c) Strengthen the local units responsible for applying the procedures	12 months	01.12.2000 to 31.11.2001		
	(d) Draw up a local unit supervision programme to monitor the application of the Agreement and correct mistakes	3 months	01.12.2001 to 28.02.2002		
8. Remodel the physical structure of customs	(a) Study of requirements	6 months	01.01.2000 to 30.06.2000	Physical structure of the functional customs services to facilitate customs clearance	Tax Administration Office
	(b) Project development	3 months	01.07.2000 to 30.09.2000		
	(c) Seek financing	3 months	01.10.2000 to 31.12.2000		
	(d) Project approval	6 months	01.01.2001 to 30.06.2001		
	(e) Project implementation	16 months	01.07.2000 to 31.10.2001		