

Committee on Customs Valuation

**FIRST 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 Document by the Secretariat

Article 23 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 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.

At its meeting of 24 October 1995, the Committee conducted its first annual review on the basis of document G/VAL/W/3. The present document takes into account the points made during that review and the work of the Committee at that meeting as a whole.

The information contained in this document covers the period from 1 January 1995 to 31 December 1995.

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1. MEMBERS, DELAYED APPLICATIONS, RESERVATIONS AND OBSERVER STATUS**(a) MEMBERS (112)**

Antigua and Barbuda	Guinea	Pakistan
Argentina	Guinea Bissau	Paraguay
Australia	Guyana	Peru
Austria	Honduras	Philippines
Bahrain	Hong Kong	Poland
Bangladesh	Hungary	Portugal
Barbados	Iceland	Romania
Belgium	India	Saint Lucia
Belize	Indonesia	Saint Vincent & Grenadines
Bolivia	Ireland	Senegal
Botswana	Israel	Sierra Leone
Brazil	Italy	Singapore
Brunei Darussalam	Jamaica	Slovak Republic
Burkina Faso	Japan	Slovenia
Burundi	Kenya	South Africa
Cameroon	Korea	Spain
Canada	Kuwait	Sri Lanka
Central African Republic	Lesotho	Suriname
Chile	Liechtenstein	Swaziland
Colombia	Luxembourg	Sweden
Costa Rica	Macau	Switzerland
Côte d'Ivoire	Madagascar	Tanzania
Cuba	Malawi	Thailand
Cyprus	Malaysia	Togo
Czech Republic	Maldives	Trinidad and Tobago
Denmark	Mali	Tunisia
Djibouti	Malta	Turkey
Dominica	Mauritania	Uganda
Dominican Republic	Mauritius	United Kingdom
Egypt	Mexico	United States
El Salvador	Morocco	Uruguay
European Communities	Mozambique	Venezuela
Finland	Myanmar	Zambia
France	Namibia	Zimbabwe
Gabon	Netherlands	
Germany	New Zealand	
Ghana	Nicaragua	
Greece	Nigeria	
Guatemala	Norway	

(b) **Delayed Application and Reservations¹**

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)**

Bangladesh	Kenya
Bolivia	Malaysia
Brunei Darussalam	Malta
Burkina Faso	Mauritius
Burundi	Morocco ²
Cameroon	Myanmar
Central African Republic	Nicaragua
Chile	Pakistan
Colombia	Paraguay
Costa Rica	Peru ²
Côte d'Ivoire	Philippines
Cuba	Senegal
Dominican Republic	Singapore
Egypt	Sri Lanka
El Salvador	Thailand
Gabon	Togo
Ghana	Tunisia
Guatemala	Uruguay
Honduras	Venezuela
Indonesia	Zambia
Israel	
Jamaica	

¹For the text of the communications received from these Members, refer to documents WT/Let/1/Rev.2 dated 22 May 1995, WT/Let/19 dated 15 June 1995, WT/Let/24 dated 28 June 1995, WT/Let/28 dated 21 August 1995 and WT/Let/29 dated 23 August 1995.

²The 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).

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

Bangladesh	Malta
Bolivia	Mexico ²
Burkina Faso	Morocco ²
Burundi	Myanmar
Cameroon	Nicaragua
Chile	Pakistan
Colombia	Peru ²
Costa Rica	Philippines
Côte d'Ivoire	Senegal
Dominican Republic	Singapore
Egypt	Sri Lanka
El Salvador	Thailand
Gabon	Togo
Guatemala	Tunisia
Honduras	Turkey ²
Indonesia	Uruguay
Jamaica	Venezuela
Kenya	Zambia
Malaysia	

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

Bangladesh	Jamaica	Singapore
Burkina Faso	Kenya	Sri Lanka
Chile	Malaysia	Thailand
Colombia	Malta	Togo
Côte d'Ivoire	Myanmar	Tunisia
Dominican Republic	Pakistan	Uruguay
Gabon	Paraguay	Venezuela
Guatemala	Peru ²	Zambia
Indonesia	Philippines	

²The 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)

Argentina ²	Honduras	Pakistan
Bangladesh	India ²	Peru ²
Brazil ²	Indonesia	Philippines
Burkina Faso	Israel	Singapore
Cameroon	Jamaica	Sri Lanka
Chile	Kenya	Thailand
Colombia	Malawi ²	Togo
Costa Rica	Malaysia	Tunisia
Côte d'Ivoire	Malta	Turkey ²
Dominican Republic	Mexico ²	Uruguay
Egypt	Morocco ²	Venezuela
El Salvador	Myanmar	Zambia
Gabon	Nicaragua	Zimbabwe ²
Guatemala		

(v) Annex III, paragraph 4 (reservation concerning application of Article 5:2 whether or not the importer so requests)

Argentina ²	Honduras	Peru ²
Bangladesh	India ²	Philippines
Brazil ²	Indonesia	Singapore
Burkina Faso	Israel	Sri Lanka
Cameroon	Jamaica	Thailand
Chile	Kenya	Togo
Colombia	Malaysia	Tunisia
Costa Rica	Malta	Turkey ²
Côte d'Ivoire	Mexico ²	Uruguay
Dominican Republic	Morocco ²	Venezuela
Egypt	Myanmar	Zambia
El Salvador	Nicaragua	Zimbabwe ²
Gabon	Pakistan	
Guatemala		

²The invocation of the special provisions available for developing country Members under the Tokyo Round Customs Valuation Agreement shall continue to apply under the WTO Customs Valuation Agreement for the developing country Member concerned (WT/L/38).

(c) OBSERVER GOVERNMENTS (40)

Albania	Estonia	Qatar
Algeria	Fiji	Russian Federation
Angola	Former Yugoslav Rep. of Macedonia	Rwanda
Armenia	Gambia	Seychelles
Belarus	Grenada	St. Kitts and Nevis
Benin	Haiti	Sudan
Bulgaria	Latvia	Taipei, Chinese
Cameroon	Lithuania	Tonga
Cambodia	Mongolia	Ukraine
Chad	Niger	United Arab Emirates
China	Oman	Uzbekistan
Congo	Papua New Guinea	Vanuatu
Croatia	Panama	Viet Nam
Ecuador		Zaire

(d) OBSERVER INTERNATIONAL ORGANIZATIONS (3)³

World Customs Organization
IMF
UNCTAD

³The invitations of these three organizations made by the Council for Trade in Goods and the Committee are *ad hoc* arrangements, pending final agreement on guidelines for observer status for international intergovernmental organizations. These arrangements are without prejudice to the positions of delegations in future discussions on the question of observer status of international intergovernmental organizations.

2. OFFICERS OF THE WTO COMMITTEE ON CUSTOMS VALUATION

Chairman: Mr. P. Palecka (Czech Republic)
Vice-Chairman: Mr. M. Baumbach (Brazil)

3. MEETINGS OF THE COMMITTEE

During the reporting period, the Committee has held two meetings on 12 May 1995 and on 24 October 1995. The minutes of these meetings are contained in documents G/VAL/M/1 and G/VAL/M/2, respectively.

4. 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:

Australia	G/VAL/N/1/AUS/1
Cyprus	G/VAL/N/1/CYP/1
Ecuador	G/VAL/N/1/ECU/1
European Communities	G/VAL/N/1/EEC/1/Rev.1
Hungary	G/VAL/N/1/HUN/1
India	G/VAL/N/1/IND/1
Japan	G/VAL/N/1 JPN/1
Korea, Republic of	G/VAL/N/1/KOR/1
New Zealand	G/VAL/N/1/NZL/1
Romania	G/VAL/N/1/ROM/1
Slovak Republic	G/VAL/N/1/SVK/1
Switzerland	G/VAL/N/1/CHE/1
Turkey	G/VAL/N/1/TUR/1
Zimbabwe	G/VAL/N/1/ZWE/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).

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

Australia	G/VAL/N/1/AUS/1
Slovak Republic	G/VAL/N/1/SVK/1
Zimbabwe	G/VAL/N/1/ZWE/1

(iii) Examination of national legislation

At its meeting of 24 October 1995, the Committee was informed that Australia, Korea, New Zealand, Romania, Switzerland, Turkey and Zimbabwe had submitted communications indicating that their legislation notified under the Tokyo Round Customs Valuation Agreement remained valid under the WTO Customs Valuation Agreement. These communications had been circulated respectively in documents G/VAL/N/1/AUS/1, G/VAL/N/1/KOR/1, G/VAL/N/1/NZL/1, G/VAL/N/1/ROM/1, G/VAL/N/1/CHE/1, G/VAL/N/1/TUR/1 and G/VAL/N/1/ZWE/1. The Committee was also informed that Hungary had submitted a communication indicating that its legislation notified under the Tokyo Round Customs Valuation Agreement remained valid under the WTO Customs Valuation Agreement, except Section 93 of the Joint Decree N° 39/1976 (XI.10) PM-KKM which had been amended by the Joint Decree N° 4/1995 (IV.10) PM-KKM.

(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/4.

5. 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.

6. OTHER DECISIONS TAKEN BY THE COMMITTEE

At its first meeting on 12 May 1995, the Committee adopted decisions on "Reservations under the Agreement on Customs Valuation"; "Procedures on Notification and Circulation of National Legislation"; "Checklist Issues"; "Information on Technical Assistance" (G/VAL/M/1, paragraphs 71-72 and 75-82). The decisions are contained in document G/VAL/5.

The Committee also adopted: (i) the Decision regarding cases where customs administrations have reason to doubt the truth or accuracy of the declared value; and (ii) the Decision on texts relating to minimum values and imports by sole agents, sole distributors and sole concessionaires. The decisions were referred by the Ministers at Marrakesh to the Committee for adoption. The texts of the decisions are contained in document G/VAL/1.

7. 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, the Committee on Customs Valuation and the Technical Committee. Technical assistance is being made available to both developing country Members and other developing countries interested in the Agreement.

Information on technical assistance activities is contained in working document G/VAL/W/4 which reproduces information contained in WCO document 39.708.

8. REPORT 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 Twenty-Ninth Session (13-17 March 1995) of the Tokyo Round Technical Committee and the First Session (2-6 October 1995) of the WTO Technical Committee.

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

9. SUBSTANTIAL DIFFICULTIES ENCOUNTERED BY MEMBERS IN APPLYING THE AGREEMENT

During the period under review, no Member has reported any substantial difficulty in applying the Agreement.

10. CONSULTATION AND DISPUTE SETTLEMENT

Canada (WT/DS9/1) and the United States (WT/DS13/1) requested consultations with the European Communities under Article 19 of the Agreement regarding certain regulations of the European Communities concerning cereals. A panel was subsequently established, upon Canada's request (WT/DS9/2) at the meeting of DSB on 11 October 1995. The United States also requested the establishment of a panel (WT/DS13/2).

11. ANNUAL REPORT (1995) TO THE COUNCIL FOR TRADE IN GOODS (G/VAL/SPEC/2)

The Committee adopted its Annual Report (1995) to the Council for Trade in Goods in accordance with the requirements of Article 23 of the Agreement (G/L/29).