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Committee on Customs Valuation

DRAFT
TWENTY-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

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.

At its meeting of 25 October 2019, the Committee on Customs Valuation conducted the 25th annual review of the implementation and operation of the Agreement.

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I. MEMBERS' DELAYED APPLICATIONS, RESERVATIONS AND OBSERVER STATUS

(a) Delayed Application and Reservations

1.1. This section reflects the situation with respect to special and differential treatment provisions available for developing country Members as of 18 October 2017. These provisions have been invoked as follows:

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

1.2. No Member maintains this special and differential treatment provision.

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

1.3. No Member maintains this special and differential treatment provision.

(iii) *Annex III, paragraph 1 (extension of the five-year delay period)*

1.4. No Member maintains this special and differential treatment provision.

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

1.5. No Member maintains this special and differential treatment provision.

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

Argentina ¹	Guatemala	Niger
Bahrain, Kingdom of	Guyana	Pakistan
Bangladesh	Haiti	Panama
Benin	Honduras	Peru ²
Brazil ²	India ²	Philippines
Brunei Darussalam	Indonesia	Senegal
Burkina Faso	Israel	Sri Lanka
Cameroon	Jamaica	Thailand
Chile	Kenya	Togo
Colombia	Madagascar	Tunisia
Costa Rica	Malawi ²	Turkey ²
Côte d'Ivoire	Malaysia	Uganda
Djibouti	Maldives	United Arab Emirates
Dominican Republic	Mali	Uruguay
Ecuador	Mexico ²	Venezuela, Bol. Rep. of
Egypt	Morocco ²	Zambia
El Salvador	Myanmar	Zimbabwe ²
Gabon	Nicaragua	

(vi) *Annex III, paragraph 4 (reservation to apply Article 5.2 whether or not the importer so requests) (51)*

Argentina ²	Dominican Republic	Kenya	Peru ²
Bahrain, Kingdom of	Ecuador	Madagascar	Philippines
Bangladesh	Egypt	Malaysia	Senegal
Benin	El Salvador	Malawi	Sri Lanka
Brazil ²	Gabon	Maldives	Thailand
Brunei Darussalam	Guatemala	Mali	Togo
Burkina Faso	Guyana	Mexico ²	Tunisia
Cameroon	Haiti	Morocco ²	Turkey ²
Chile	Honduras	Myanmar	Uruguay
Colombia	India ²	Nicaragua	Venezuela, Bol. Rep. of
Costa Rica	Indonesia	Niger	Zambia
Côte d'Ivoire	Israel	Nigeria	Zimbabwe ²
Djibouti	Jamaica	Pakistan	

(b) Observer Governments (20)

Algeria	Holy See
Andorra	Iran
Azerbaijan	Iraq
Bahamas	Lebanese Republic
Belarus	Libya
Bhutan	Sao Tomé and Príncipe
Bosnia and Herzegovina	Serbia
Comoros	Sudan
Equatorial Guinea	Syrian Arab Republic
Ethiopia	Uzbekistan

¹ Members that maintain in the WTO the special and differential treatment provisions that had been invoked under the Tokyo Round Agreement through Decision WT/L/38.

(c) Observer International Organizations (6)²

African, Caribbean and Pacific Group of States (ACP)
 Inter-American Development Bank (IADB)
 International Monetary Fund (IMF)
 United Nations Conference on Trade and Development (UNCTAD)
 World Bank
 World Customs Organization (WCO)

II. OFFICERS OF THE WTO COMMITTEE ON CUSTOMS VALUATION

- 2.1. Chairperson (elected in April 2018) Mr Yuichiro OKUMURA (Japan)
 Chairperson (elected in June 2019) Mr Winega BAMANA (Togo)

III. MEETINGS OF THE COMMITTEE

- 3.1. During the period under review, the Committee held two formal meetings: on 23 May 2019 (G/VAL/M/68) chaired by Mr Yuichiro OKUMURA (Japan); and on 25 October 2019 (G/VAL/M/69)³, chaired by Mr Winega BAMANA (Togo).

IV. NATIONAL LEGISLATION AND OTHER NOTIFICATIONS PRESENTED

(a) Texts of national legislation

4.1. 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, on 12 May 1995, the Committee agreed on procedures for the notification of national legislation (G/VAL/M/1, paragraphs 29-35, 71 and 72). Paragraph i) of the "Decision on Notification and circulation of national legislation in accordance with Article 22 of the Agreement"⁴ requires Members to submit the complete texts of their national legislation (laws, regulations, etc.) on customs valuation in one of the three official WTO languages.

4.2. The status of these notifications is contained in documents G/VAL/W/232/Rev.10 and G/VAL/W/232/Rev.11. During the period under review; Burundi (G/VAL/N/1/BDI/1); Myanmar (G/VAL/N/1/MMR/1); Niger (G/VAL/N/1/NER/1); and Togo (G/VAL/N/1/TGO/1) submitted their customs legislation. The Dominican Republic (G/VAL/N/1/DOM/2); India (G/VAL/N/1/IND/4); the Kyrgyz Republic (G/VAL/N/1/KGZ/2) and the Russian Federation (G/VAL/N/1/RUS/4, G/VAL/N/1/RUS/4/Add.1, and G/VAL/N/1/RUS/5) notified amendments to their legislation.

4.3. At the meetings of 23 May and 25 October, the Committee agreed to revert at the next meeting to the examination of the legislations of the following 14 Members: the Kingdom of Bahrain; Belize; China; Guinea; Honduras; Kazakhstan; Malawi; Nepal; Nigeria; the Russian Federation; Rwanda; Solomon Islands; Sri Lanka; and The Gambia.

(b) Checklist of issues

4.4. At its first meeting, on 12 May 1995, the Committee agreed on procedures for the submission of replies to a checklist of issues (G/VAL/M/1, paragraphs 36-39). The checklist of issues is contained in G/VAL/5.

4.5. The status of the checklist of issues notifications is contained in documents G/VAL/W/232/Rev.10 and G/VAL/W/232/Rev.11. During the period under review, Myanmar (G/VAL/N/2/MMR/1) and The Gambia (G/VAL/N/2/GMB/1) notified their Checklist of Issues. India notified an amended Checklist of Issues (G/VAL/N/2/IND/2).

² These 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).

³ To be issued.

⁴ Section B.2 of document G/VAL/5.

(c) Information on the application of the Committee Decisions

4.6. At its first meeting on 12 May 1995, the Committee adopted Decisions which had been previously adopted by the Tokyo Round Committee. These Decisions are reproduced in document G/VAL/5. The Committee also adopted Decisions that were referred by the Ministers at Marrakesh to the Committee. The texts of the decisions are contained in document G/VAL/1.

4.7. Notifications 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) were summarized by the Secretariat in documents. During the period under review the following notifications were submitted: the Kingdom of Bahrain (G/VAL/N/3/BHR/1); Cambodia (G/VAL/N/3/KHM/1); India (G/VAL/N/3/IND/1 and G/VAL/N/3/IND/2); and Montenegro (G/VAL/N/3/MNE/2).

4.8. At the meetings of 23 May and 25 October, The Committee took note of the statements made under the agenda item "Proposal by Uruguay (G/VAL/W/241/Rev.1) on the Decision on the Valuation of Carrier Media Bearing Software for Data Processing Equipment". Other documents related to this item include a proposal by Switzerland (G/VAL/W/254), a report with statistics on imports of those products (G/VAL/W/249), which was prepared by the Secretariat at the Committee's request, and Uruguay's responses to questions raised by one delegation (G/VAL/W/264). [At the meeting of 25 October, the Committee [...]].

4.9. [No decisions were taken by the Committee during the period under review.]

V. TECHNICAL ASSISTANCE

5.1. At the meetings of 23 May and 25 October, the Committee took note that technical assistance in the area of customs valuation was incorporated into the WTO-wide technical assistance programme, and that the 2018-2019 biennial technical assistance plan was currently being implemented.

5.2. On 14 February 2019, the Committee held a workshop entitled "Experience-Sharing Workshop on Implementation of the Customs Valuation Agreement and Ensuring that the Trade Facilitation Agreement supports implementation of the CVA including Technical Assistance and Capacity Building". The objective of the workshop was to have an exchange among Members of their administrations' experiences in implementing the Customs Valuation Agreement, with a view to supporting least developed country Members to address their challenges and to consider how the Trade Facilitation Agreement could support implementation of the Customs Valuation Agreement.

5.3. Following the meeting of 23 May, the new Chairperson initiated a continuing series of consultations with Committee Members to explore follow-up work to the Workshop.

5.4. At the meetings of 23 May and 25 October, the Committee took note of information compiled by the Technical Committee on Customs Valuation in documents G/VAL/8/Add.38 and G/VAL/8/Add.39 concerning technical assistance activities carried out by the WCO and its Members.

VI. ISSUES RELATED TO IMPLEMENTATION OF THE AGREEMENT

6.1. At the meetings of 23 May and 25 October, the Committee took note of statements made under the agenda item "Pakistan's Determination of Customs Values of Paper", raised by Thailand. At the meeting of 23 May, the Committee took note of the agenda item "Tajikistan – issues related to customs valuation", raised by Ukraine.

VII. PRESHIPMENT INSPECTION

7.1. At the meetings of 23 May and 25 October, the Committee took note of a report consolidating the status of all the notifications which had been received on preshipment inspection (document G/PSI/N/1/Rev.4). During the period under review, new notifications were submitted by Angola (G/PSI/N/1/Rev.3/Add.2); Brazil (G/PSI/N/1/Rev.3/Add.2); Egypt (G/PSI/N/1/Rev.3/Add.3); and Saint Lucia (G/PSI/N/1/Rev.3/Add.4). The Committee also took note, at the meetings of 23 May and 25 October, of statements made under the agenda item of questions and responses by the United

States and Indonesia, respectively. The Committee took note of the latest reports by the International Federation of Inspection Agencies (IFIA) concerning countries that use preshipment inspection services which were circulated in documents and G/VAL/W/63/Rev.24 and G/VAL/W/63/Rev.25⁵.

VIII. REPORTS BY THE TECHNICAL COMMITTEE ON CUSTOMS VALUATION

8.1. The representative of the WCO presented reports at the meetings of 23 May and 25 October on the work of the Technical Committee on Customs Valuation, including the 48th session of the Technical Committee, which was held from 13 to 17 May. The 49th session was scheduled to take place from 4 to 8 November 2019.

IX. CONSULTATION AND DISPUTE SETTLEMENT

9.1. During the period under review, there were no requests for consultations involving either the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (Agreement on Customs Valuation) or the Agreement on Preshipment Inspection.

X. ANNUAL REPORT TO THE COUNCIL FOR TRADE IN GOODS

10.1. 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/L/xxx).

⁵ To be issued