

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

VAL/M/11

24 January 1985

Special Distribution

Committee on Customs Valuation

MINUTES OF THE MEETING HELD ON 9 NOVEMBER 1984

Chairman: Mr. J.-C. Renoue

1. The Committee on Customs Valuation held its eleventh meeting on 9 November 1984.

2. The following agenda was adopted:

	<u>Page</u>
A. Accession of further countries to the Agreement	1
B. Technical assistance	3
C. Information on implementation and administration of the Agreement	5
D. Report on the work of the Technical Committee	8
E. Linguistic consistency of the term "development" in Article 8.1(b)(iv)	10
F. Annual review of the implementation and operation of the Agreement	11
G. Annual report to the CONTRACTING PARTIES	11
H. Other business:	11
(i) Panelists	
(ii) Derestriction of documents VAL/6/Rev.1 and VAL/8 and Add.1	
(iii) Application by Canada of provisions on related parties	
(iv) Dates and draft agendas of next meetings	

A. Accession of further countries to the Agreement

3. The Chairman recalled that at its meeting in May 1983 the Committee had examined, in the context of preparing its annual report to the CONTRACTING PARTIES (L/5491), the question of any obstacles to acceptance of the Agreement that might be felt to exist by non-Parties. This had been done in order to respond to a request made by the Council in taking action on the Decision on the MTN Arrangements and Agreements in the Ministerial Declaration of 1982. He believed that it might be useful to follow-up on this work and consider whether there was need for further examination of problems inhibiting possibilities of greater participation. In reviewing the situation concerning the accession of countries to the Agreement as he saw it, he noted that membership of the Agreement had been steadily growing, that more countries were known to be interested in it and that substantial efforts, particularly in the field of technical assistance, were being made to facilitate accession. At the same time, however, he considered that the Committee did not have sufficient information about the intentions of non-Parties vis-à-vis the Agreement and whether there were

any particular reasons preventing them from joining the Agreement. In this connection, he expressed his regret that there were not more observers present at this meeting who could give their views on the matter.

4. The representative of the European Communities stressed the importance the Community attached to encouraging further countries to accede to the Agreement. He recalled that in the negotiation of the Agreement provisions had been drawn up in Article 21 and in the Protocol to accommodate the problems raised by developing countries. Subsequently, the Committee had looked further at this matter in the context of its 1983 report to the CONTRACTING PARTIES (L/5491), which in paragraph 20 listed certain points which some developing countries considered could give rise to difficulties in the implementation and application of the Agreement. He suggested that the most appropriate approach now would be to seek information directly from non-Parties, starting with those countries that had already shown interest in the Agreement by seeking observer status in the Committee. For this purpose, the following questions might be addressed to these countries:

1. Is your country planning to apply the GATT Valuation Agreement?
2. If yes, please give an indication of the likely dates of signature of the Agreement and of implementation.
3. If no, please indicate the reasons why implementation is not contemplated at the moment and whether technical assistance would help to clarify unresolved problems.

The aim was not to put pressure on these countries to sign the Agreement, but rather to obtain information about their intentions, to discover if there were still problems that needed to be examined and to see what kinds of technical assistance would be most helpful. In due course, the replies could form the basis for informal consultations focussing on those issues that proved to be of concern to non-signatories.

5. The representative of Austria stressed the utility for countries considering accession to the Agreement of the comparative study of the GATT Agreement and the Brussels Definition of Valuation made by the Customs Co-operation Council.

6. The representative of Spain said that his delegation had sent a number of comments on the comparative study to the CCC Secretariat. On some of these points, his delegation was not fully in agreement with the responses received. He also drew attention to the initiative taken recently by the Customs Co-operation Council to seek quantitative information on the effect of the Agreement on customs revenues.

7. The observer from the Customs Co-operation Council said that an updated version of the comparative study would be published shortly, taking into consideration inter alia the written comments received from Spain. He felt sure that any remaining differences of view that Spain might have would be resolved rapidly. In regard to the effect of the Agreement on revenues, he said that, in response to a request from the CCC Policy Commission to study the economic impact of the Agreement, the CCC Secretariat had asked Parties if they had conducted any studies on revenue impact and, if so, what the results had been. These responses would be

included in the report on this matter to be submitted to the Policy Commission in December 1984. The responses received indicated that countries either had taken the view that the revenue impact would be insignificant and had therefore not deemed it necessary to make a detailed study, or had conducted studies which had shown minimal impact. He also drew the Committee's attention to the Seoul Declaration adopted by the Customs Co-operation Council at its 1984 session held in Seoul, Republic of Korea. In the field of valuation this Declaration asked all members of the Council not yet members of the GATT Agreement to intensify their efforts to accede to the GATT Agreement and implement it as soon as possible. He added that in the preceding week in the Policy Commission it had been made clear that the Council would continue to meet its legal obligations concerning the administration of the Brussels Definition of Value. Nevertheless, the Seoul Declaration was highly significant in that the ninety-five members of the Customs Co-operation Council had unanimously adopted a declaration which indicated clearly their belief that the future of the Council in the field of valuation lay with the GATT Valuation Agreement.

8. The representatives of Switzerland, the United States and Japan supported the suggestion of the European Communities for forwarding a questionnaire to observers.

9. The representatives of Brazil, India, Czechoslovakia and Romania considered that the most appropriate approach would be to hold informal consultations with observers, as had been done by some other Code Committees. Use could be made of the questionnaire in that context, without it being forwarded as an initiative of the Committee.

10. The representative of the Republic of Korea emphasized the importance of the Seoul Declaration of the Customs Co-operation Council.

11. The observer from the Customs Co-operation Council said that, in response to questions similar to those suggested by the European Communities sent by the CCC Secretariat to all its member customs administrations not already Parties to the Agreement, many administrations had indicated that the decision on accession had to be taken at other levels of the government. These were levels different from those that could be reached by the CCC Secretariat. Since these levels could be reached by this Committee, he felt that an initiative along the lines suggested would be useful.

12. The Committee agreed that countries having observer status in the Committee would be invited to participate in informal consultations, to be organized by the secretariat, on the basis of the questions suggested by certain delegations. The Committee welcomed the Seoul Declaration adopted by the Customs Co-operation Council at its annual meeting in May 1984 and agreed that the text of this Declaration should be circulated as a Committee document (VAL/12).

B. Technical assistance

13. The representative of Finland said the tenth annual training course held by his country for customs officials from developing countries had recently finished. In the ten years of operation of the course, training had been offered to 150 officers coming from forty-one countries. The

share of customs valuation in the course was about 15 per cent. Instruction was based on the GATT Agreement, its comparison with the Brussels Definition of Value, and on practical cases. Discussions with the heads of the customs administrations of several developing countries who had recently visited Finland had produced a number of valuable ideas that would help in the planning of future courses. Finland was considering possibilities of expanding and diversifying its technical assistance. His delegation hoped that the CCC Seoul Declaration, in particular the decision to establish a customs co-operation fund and the practical proposals made by the CCC Secretariat would lead to an increase in technical assistance.

14. The representative of Spain said that the Spanish customs administration had organized a second international seminar on customs valuation for officials from Latin American countries under the agreement on technical co-operation between the customs administrations of Latin America, Spain and Portugal. There had also been held in Madrid the fourth course for higher financial officials from Spain and Latin America. He expressed the hope that the next CCC training course would be held in Spanish. In response to a question, the representative of Spain said that the technical assistance given by his country related both to the valuation systems that the Latin American countries presently applied, namely the Brussels Definition of Value, and to the GATT Agreement. It also included a discussion of the differences between the GATT Agreement and the BDV.

15. The representative of Austria said that the 22nd training course organized by the Austrian customs had recently finished. The experience of his country and the reactions of participants had shown the value of such courses as technical assistance to developing countries.

16. The observer from the Customs Co-operation Council said that Technical Committee document 31.808 summarized all the technical assistance activities that had taken place concerning the Agreement. For the purpose of programming future technical assistance, delegations might find this document a useful reference tool. Turning to seminars and training courses, he said that in mid-1984 a brief seminar had been given by the CCC secretariat in Sri Lanka for the benefit of Sri Lankan customs and trade interests. Subsequently, in July 1984 the CCC had organized jointly with the West African Economic Community (CEAO) and Canada a combined seminar on the GATT Agreement and the Harmonized System in Ouagadougou, Burkina Faso. Ten countries plus the CEAO Secretariat had been represented. The first training course on the Agreement organized by the CCC Secretariat had been held at the CCC headquarters in Brussels from 11-22 June 1984. The course had been attended by twenty-two English-speaking participants from twelve developing countries. It had covered all aspects of the Agreement and had also dealt with problems of fraud and the training of trainers. On completion of courses, each participant was given a complete training kit containing detailed lesson plans, instructional tactics and other relevant material. The kit was designed to be used in the presentation of courses on the Agreement by the participant in his home country in order that a multiplier effect could be achieved. Because the first course had been over-subscribed, a second course had been held 22 October-2 November in French, the language of the next largest group of applicants. The CCC Secretariat would be happy to hold a course in Spanish provided that applications from Spanish-speaking officials were received. He expressed appreciation for the inputs to the course received from a number of countries including Belgium, the United States, France, Canada and

New Zealand. The next training course would be held in June 1985, the language or languages of the course being dictated by the languages of the applicants. The CCC Secretariat was also ready to give the course in a particular country or region, if requested, particularly where countries were close to implementation of the Agreement.

17. The representative of the secretariat noted that an informal exchange of information about materials used in technical assistance activities and experience in this connection could help donors of technical assistance, including the GATT secretariat, to learn from the experience of each other and improve their own efforts. He therefore hoped that this informal exchange of information could be pursued further.

18. In concluding the discussion, the Chairman suggested that delegations might wish to reflect before the next meeting on whether there was need for the Committee to do anything further to meet its responsibilities concerning technical assistance under the Agreement, in particular whether there was need, taking into account the work already underway in the Technical Committee, to ensure greater transparency of past and prospective technical assistance activities so as to give interested developing countries further information and also help Parties in the planning and direction of their own initiatives in this field.

19. The Committee took note of the statements made.

C. Information on Implementation and Administration of the Agreement

(i) Australia and South Africa

20. The representative of the United States recalled the discussion of the special treatment given in the Australian legislation to inland freight costs of goods exported from Canada (VAL/M/8, paragraph 26). She asked whether a change to the provisions in question was contemplated and, if so, what its nature and status might be. She also asked for further information in connection with the treatment of computed value under certain conditions in the Australian legislation. The representative of Australia said that she would refer these questions to her authorities for response.

21. The representative of the United States said that her delegation had requested from the South African delegation certain legislative texts relating to the ad valorem excise duties that had been referred to in a response to a question by her delegation at the Committee's April meeting (VAL/M/9, page 15, question 1). Noting that in document VAL/1/Add.15/Suppl.1 South Africa had indicated certain changes regarding the valuation of used automobiles, she asked whether any additional changes were contemplated by South Africa. The representative of South Africa said that he would supply the text in question as soon as possible and that the answer to the second question was contained in document VAL/1/Add.15/Suppl.1.

22. The Chairman suggested that the delegations concerned follow-up these questions bilaterally, it remaining open for them to bring up these matters again at a future meeting of the Committee.

(ii) European Communities

23. Responding to the question concerning royalties and licence fees put by Spain at the April meeting of the Committee (VAL/M/9, paragraph 17), the representative of the European Communities said that royalties and licence fees and their treatment under Article 8.1(c) of the Agreement were an area of some complexity, particularly as the types of agreements entered into by firms varied greatly. In the area of trademarks, royalties were generally paid either as a part payment for the goods, in which case they should be included in the customs value, or in respect of services rendered by the seller to the buyer, technical assistance for example, in which case they should not be included in the customs value. The Commission Regulation, which had been circulated to the Committee in document VAL/1/Add.2/Suppl.5, had been designed to give better guidance to customs officers and traders on this issue. The purpose of the provision in the first indent to Article 3 of the Regulation was to help draw the line between those situations where royalties and licence fees should be added to the price actually paid or payable and those where they should not. The two Technical Committee instruments which related to this matter, Advisory Opinions 4.5 and 4.6, dealt with specific circumstances and did not give a general rule. The term "minor processing" had been used because it had an established customs meaning, having been used under the Brussels Definition of Value, and conveyed the appropriate intention while leaving sufficient flexibility to deal with the diversity of situations arising.

(iii) Parties scheduled to apply the Agreement in 1985 and 1986

24. The Chairman asked whether Parties which are scheduled to start applying the Agreement in 1985 or 1986 would wish to inform the Committee of progress made in their preparations.

25. The representative of Canada, recalling his statement at the April meeting of the Committee (VAL/M/9, paragraph 19), said that the prorogation of the Canadian Parliament last summer in order to hold elections meant that the Ways and Means Motion introduced on 15 February 1984 to implement the Valuation Agreement from 1 January 1985 had lapsed. Following the election, Parliament had reconvened on 5 November 1984. It was his Government's intention to reintroduce as soon as possible the valuation legislation in the form of a Notice of Ways and Means Motion in order that Canada could meet its obligation to implement the Code by 1 January 1985. In response to a question as to whether this meant that by 1 January 1985 Canada would probably be applying the Agreement, he said that he did not expect any difficulty with applying the provisions of the Agreement as from 1 January 1985.

26. The representatives of the Republic of Korea and of India said that they would inform the Committee, through the secretariat, of any information received from their authorities concerning progress towards application of the provisions of the Agreement by their countries in 1986.

27. The representative of Brazil said that his authorities were aware of the date scheduled for the application of the provisions of the Agreement by Brazil and intended to meet their obligations in this respect.

28. The Chairman concluded that the Committee come back to this matter at its next meeting to see if further information would be available on preparations for application of the Agreement in those countries scheduled to apply the Agreement shortly. The Chairman also noted that, if it remained the intention of India and Brazil to invoke the provisions of paragraph 3 of the Protocol to the Agreement which related to the possibility of officially established minimum customs values being retained on a limited and transitional basis under such terms and conditions as may be agreed to by Parties, the Committee would have to discuss next year such terms and conditions on the basis of proposals from the countries concerned.

(iv) Arrangements for examination of the legislation of Botswana, Canada and Czechoslovakia

29. The representative of Czechoslovakia, recalling that the Agreement had come into force for his country on 27 June 1984, said that to ensure the conformity of his country's legislation with the provisions of the Agreement, as required by Article 25 of the Agreement, it had been necessary to amend the provisions of paragraph 112 of the Customs Act No. 44/1974 Collection of Law providing legal remedy against decisions made by customs. This amendment enabled the declarant to obtain legal remedy through the courts against the last valuation decision of the responsible customs directorate. The amendment had been implemented by Law No. 117/1983 Collection of Law of 27 October 1983. He said that the Agreement was implemented in accordance with an internal regulation of the central customs administration. This regulation stipulated the procedures for determining the customs value of goods in accordance with Articles 1-9 of the Agreement. The regulation was presently being modified to ensure more precise implementation of the other Articles of the Agreement. The amended regulation would be issued shortly as a Decree of the Federal Ministry of Foreign Trade which was the body responsible for the implementation of the Agreement in Czechoslovakia. Due to technical and administrative reasons connected with the process of publication of the Decree and of the Agreement in Czechoslovakia, it had not been possible to submit the required material prior to the present meeting of the Committee. The valuation of carrier media bearing software for data processing equipment would be incorporated in the Decree in accordance with the Decision taken by the Committee at its September meeting.

30. The representative of Canada said that it was not possible to foresee when the Canadian legislation would be adopted by the Canadian Parliament. While it might be possible to present the legislation as adopted to the Committee prior to its next meeting, he suggested that the Committee might need to keep open the option of examining the Canadian legislation at the Committee's second meeting in 1985.

31. The Committee agreed to examine at its next meeting the legislation and replies to the checklist of issues of Botswana, Czechoslovakia and, if possible, Canada. On the assumption that the documents in question would be available sufficiently in advance, Parties wishing to put questions on the legislation of these countries should attempt to give advance notice of their questions by forwarding them to the countries in question, through the secretariat, by the end of March 1985. This would not, of course, foreclose the possibility of raising other questions at the meeting itself.

D. Report on the work of the Technical Committee

32. The observer from the Customs Co-operation Council presented a report on the eighth session of the Technical Committee on Customs Valuation, held 1-5 October 1984, on behalf of the Chairman of that body, Mr. N.S. Foldi. The report of the Session had been circulated in CCC document 31.900. With respect to intersessional developments, he said that the Customs Co-operation Council at its annual session had taken note of the work accomplished at the Technical Committee's sixth and seventh sessions. The instruments finalized at those two sessions had thus received the necessary approval of both bodies concerned, and had therefore been incorporated in the second amending supplement to the CCC Compendium on the Customs Valuation Agreement. In regard to the dissemination of information, the first update of the Index of valuation rulings and conclusions (CCC document 32.000/Rev.1) had been available at the Technical Committee's eighth session. At present the Index contained rulings published by Austria, the European Economic Community, Finland, Japan, New Zealand, Sweden and the United States; other Parties had been invited to communicate their rulings. In connection with the dissemination of national valuation declaration forms, Canada had presented a copy of its form together with a policy statement on Canadian customs invoice requirements; these documents would be issued during the intersession, bringing the number of declaration forms circulated to seven.

33. Continuing his report, he said that the Technical Committee had adopted at its session two commentaries relating to technical questions:

- A Commentary on the Treatment of Costs of Activities Taking Place in the Country of Importation. The Commentary set forth the principles that should govern the treatment of such costs. It also gave an interpretation of the expression "undertaken after importation" used in the Interpretative Note to Article 1.
- A Commentary on Adjustments for Difference in Commercial Level and in Quantity under Article 1.2(b) and Articles 2 and 3 of the Agreement. The text contained a general examination of adjustments for commercial level and quantity in the application of test values and the transaction value of identical or similar goods. Various possible scenarios were examined using a set of seven examples.

34. He said that a number of other technical matters, on which no final texts had yet been adopted, had been examined by the Committee:

- Treatment of tie-in sales. The Technical Committee had looked at a document prepared by the CCC Secretariat which made a distinction between two broad categories of tie-in sales: one where the condition or consideration relates to the price of the goods and the other where it relates to the sale itself and covers countertrade. The document also included a list of the more common countertrade practices. The Secretariat had been instructed to prepare a new document taking account of comments and observations.

- Case study on conditions in Article 1 of the Agreement. After some discussion as to what action should be taken in respect of this study based on the information provided by an administration, the Technical Committee had instructed the Secretariat to prepare two documents, one on the meaning of the term "restrictions" in Article 1.1(a)(iii) and the other to include a revised draft case study on restrictions in Article 1.
- Meaning of the expression "sold for export to the country of importation". The Technical Committee had paid particular attention to cases in which there were two or more sales after exportation, in transit or shortly after importation. The Secretariat had been instructed to draft a new document based on the various interpretations put forward, so that the Committee could decide which interpretation was best suited to circumstances. On the basis of the interpretation selected, it would be possible to establish the basic principles for regarding a sale as being for export to the country of importation. These principles would be applied to a set of examples to determine whether the solutions adopted could solve particular problems.
- Interpretation of the term "development" in Article 8.1(b)(iv). The Committee had decided to take the matter up again as soon as the Committee on Customs Valuation reached a conclusion on the linguistic issue.
- The practical application of Article 7 of the Agreement. After taking note of the comments received, the Committee had urged Parties implementing the Agreement to submit information not only on problems encountered but also on cases where Article 7 had been applied whether or not there had been difficulties in that application.
- Confirming commission. The Technical Committee had agreed that it was advisable to leave aside this question for the time being, to enable administrations to gain more experience. The International Chamber of Commerce had indicated that it would be submitting documentation on this matter for the consideration of the Committee.

35. Turning to future work of the Technical Committee, he said that, in addition to the matters already mentioned, the following items had been included on the agenda for the next session:

- Steps to be taken to increase the number of Parties to the Agreement;
- Treatment of quota charges under Article 1;
- Proceeds under Article 8.1(d).

He added that at its session the Technical Committee had taken note of the decisions by the Committee on Customs Valuation concerning the treatment of computer software and interest charges.

36. The Committee took note of the report and expressed appreciation for the continued excellent work of the Technical Committee.

E. Linguistic consistency of the term "development" in Article 8.1(b)(iv)

37. The Chairman recalled that, in response to a request from the Technical Committee, the Committee had considered this question at its April meeting on the basis of a secretariat note, VAL/W/24. In paragraph 5 of this note, it had been suggested that the Committee agree that the terms "development" in English, "travaux d'études" in French and "creación y perfeccionamiento" in Spanish in Article 8.1(b)(iv) be understood to exclude "research" in English, "recherche" in French and "investigación" in Spanish. He noted that all delegations except Argentina and Spain had indicated at the Committee's April meeting that they would accept this suggestion.

38. The representative of Argentina said that his delegation remained unable to take a decision on this matter at this meeting. The matter was a difficult one as far as the Spanish text was concerned. His authorities were of the view that, on the face of it, the words "creación y perfeccionamiento" would normally be understood in Spanish to include both research and development. His authorities, therefore, needed further time to assess the matter.

39. The representative of Spain said that his delegation would like to see it made clear in document VAL/W/24 that research was part of the costs of producing goods. He therefore proposed that language along the following lines be included in document VAL/W/24 so as to enable the Spanish delegation to accept the suggestion contained in paragraph 5 of that document:

Research costs are one element in the general manufacturing costs as part of the cost of production of a good and are consequently normally included in the total price actually paid or payable and in the cost or value of a good.

Nevertheless, with a view to settling the linguistic issue raised between the official versions of the Agreement in the three languages and taking into account that one of the objectives of the Agreement is to bring about greater uniformity and certainty, the words "creación y perfeccionamiento" in Spanish must be interpreted as excluding research where adjustments to the price actually paid or payable in the context of Article 8.1(b)(iv) are involved.

40. The representative of the secretariat said that he would like to bring to the attention of the Committee certain information about the intentions of the drafters that he had obtained from consulting those who had been present during the negotiation of the Agreement. This information might be helpful to delegations as a complement to that contained in VAL/W/24. Although, as indicated in VAL/W/24, the draft texts of the Agreement throughout the negotiations had contained, in Article 8.1(b)(iv), the words "development" in English, "développement" in French and "perfeccionamiento" in Spanish - to the exclusion of "research", research had been considered by the negotiators in some detail and the decision to exclude it from the list of adjustments contained in Article 8.1(b)(iv) had been a deliberate one, based on the following considerations: (a) it is virtually impossible to apportion research costs to specific imported goods; and (b) research costs are generally charged to the accounting period in which incurred as a

general overhead, that is, a general expense, and not the time in which the actual manufacturing of the good may be taking place. In the negotiations, these considerations had arisen when considering whether, in certain circumstances, research costs should be added to the price actually paid or payable. Of course, where such costs were already included in the price actually paid or payable, research would form part of the value under transaction value and also the deductive method. In addition, it would form part of the value under the computed value method if it is included in the cost of materials or the amount allowable for general expenses, for example.

41. The Committee agreed that the secretariat prepare a revised version of document VAL/W/24 incorporating the necessary clarifications and that any delegation that might have difficulties with accepting the approach proposed in the revised note should so indicate in advance of the Committee's next meeting so as to provide time for informal consultations if necessary.

F. Annual Review of the Implementation and Operation of the Agreement

42. The Committee conducted its fourth annual review of the implementation and operation of the Agreement, as stipulated in Article 26. For this purpose, the Committee had before it a background note prepared by the secretariat (VAL/W/25).

43. The Committee agreed that, in the light of its review and of the work at its meeting as a whole, the secretariat should circulate a revised version of VAL/W/25 as a document in the VAL/- series.

44. The Chairman, noting that the Committee's annual reviews hitherto had not examined experience with the Agreement in depth, suggested that delegations might wish to reflect before the Committee's next meeting on whether it would be opportune to plan to have a more detailed examination of the implementation and operation of the Agreement on the occasion of the 1985 annual review. He also suggested that delegations might wish to consider before the Committee's next meeting on whether it would be appropriate next year to take up once more the question of the collection of information on the use of the different valuation methods under the Agreement, to follow-up on the agreement on this matter at the Committee's November 1983 session (VAL/M/8, paragraph 50).

G. Annual Report to the CONTRACTING PARTIES

45. The Committee adopted its annual report to the CONTRACTING PARTIES, as updated by the Chairman, with the assistance of the secretariat, to take account of the work at the present meeting (L/5729).

H. Other Business

(i) Panelists

46. The Chairman recalled that, in accordance with paragraph 2 of Annex III to the Agreement, Parties were expected at the beginning of 1984 to nominate persons available for panel service in 1984 or to confirm existing nominations. He said that, as of the time of the meeting, nominations or confirmations for 1984 had been received from the European

Communities, Finland, Japan, Norway, Sweden, the United Kingdom on behalf of Hong Kong and the United States. In addition, he had past nominations from Romania and Spain. He requested Parties wishing to modify previous nominations and Parties not having made such nominations to communicate the relevant information through the secretariat as soon as possible.

(ii) Derestriction of documents VAL/6/Rev.1 and VAL/8 and Add.1

47. The Committee agreed to derestrict documents VAL/6/Rev.1 and VAL/8 containing the Decisions of the Committee on the Treatment of Interest Charges in the Customs Value of Imported Goods and on the Valuation of Carrier Media Bearing Computer Software for Data Processing Equipment. The Committee also agreed to derestrict the statement made at the Committee's meeting of 24 September 1984 by the Chairman prior to the adoption of the Decision on computer software. The text of this statement has been issued as document VAL/8/Add.1.

(iii) Application by Canada of provisions on related parties

48. The representative of the European Communities said that an important section of Community industry which had substantial trade with Canada, most of it between related parties, had obtained the impression from contacts with Canadian officials that the Canadian customs intended to regard all prices in transactions between related parties as influenced unless the importer could prove that the relationship had not influenced the price. This fear had arisen even though it was known that Canadian instructions for application of the Agreement seemed to provide otherwise. He therefore sought assurances from the Canadian delegation that Canada would respect the provisions of Article 1.2, in particular that customs would only question the price where it had grounds for considering that the relationship had influenced the price.

49. The representative of Canada said that he had no information as to how such rumours might have been started or have obtained any kind of credence. He gave the assurance that it was his country's intention to implement the Agreement as it was written.

(iv) Dates and draft agendas of next meetings

50. The Committee agreed to hold its next regular meeting on 9-10 May 1985, and to set aside tentatively 12-13 November 1985 for its autumn 1985 meeting.

51. The Committee agreed that the draft agenda of its May 1985 meeting would include the following items:

- A. Election of Chairman and Vice-Chairman
- B. Accession of further countries to the Agreement
- C. Technical assistance
- D. Report on the work of the Technical Committee
- E. Information on implementation and administration of the Agreement
- F. Linguistic consistency of the term "development" in Article 8.1(b)(iv)
- G. Preparations for fifth annual review

The question of reservations under paragraph 3 of the Protocol might also be included on the agenda, depending on whether communications were received from the Parties concerned.