

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

VAL/13

6 December 1984

Special Distribution

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## Committee on Customs Valuation

### FOURTH ANNUAL REVIEW OF THE IMPLEMENTATION AND OPERATION OF THE AGREEMENT

#### Background Document by the Secretariat

Article 26 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 Preamble. The annual review of the Committee should cover the operation of the Agreement as a whole, as well as action by Parties to ensure proper implementation and operation of the Agreement in the light of its objectives and specific obligations.

This document, which is a revision of document VAL/W/25 that the Committee had before it when undertaking its fourth annual review at its meeting of 9 November 1984, takes into account the points made during that review and the work of the Committee at that meeting as a whole.

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1. <u>ACCESSIONS, ACCEPTANCES AND RESERVATIONS</u>	

A full listing of the present status of acceptances and accessions is at Annex I.

(a) New accessions and acceptances

Since the Committee's last annual review, three countries have become members of the Agreement:

- (i) Malawi accepted the Agreement on 22 November 1983. The Agreement entered into force for Malawi on 22 December 1983. Malawi invoked the provisions of Article 21.1 and of paragraph 4 of the Protocol;
- (ii) Czechoslovakia accepted the Agreement, subject to ratification, on 2 April 1984, and deposited its instrument of ratification on 28 May 1984. The Agreement entered into force for Czechoslovakia on 27 June 1984;
- (iii) Botswana acceded to the Agreement on 13 August 1984, in accordance with the provisions of Article 22.3, on the terms agreed by the Committee at its meeting of 10-11 November 1983 (VAL/M/8, paragraph 9 and Annex). Botswana is the first non-GATT contracting party to have acceded to the Agreement.

These acceptances bring the membership of the Agreement up to thirty-three (EEC(10) plus twenty-two other countries plus Hong Kong). The acceptance of the Agreement by one country remains subject to ratification.

(b) Terms of acceptance

In regard to terms of acceptance, the special provisions available for developing countries have been invoked as follows:

- (i) Article 21.1 (delayed application of the provisions of the Agreement)

Argentina	(1 January 1986)
Brazil	(23 July 1986)

India	(1 January 1986)
Korea, Rep. of	(5 February 1986)
Malawi	(22 December 1988)
Spain	(not later than 19 July 1986)

(ii) Article 21.2 (delayed application of the computed value method)

Argentina  
India  
Korea, Rep. of  
Spain

(iii) Protocol, paragraph 3 (reservation concerning minimum values)

Brazil  
India

(iv) Protocol, paragraph 4 (reservation concerning reversal of sequential order of Articles 5 and 6)

Argentina  
Brazil  
India  
Malawi

(v) Protocol, paragraph 5 (reservation concerning application of Article 5.2 whether or not importer so requests)

Argentina  
Brazil  
India

Canada has made the following reservation:

"Notwithstanding Articles 24 and 25 of the Agreement on the Implementation of Article VII of the General Agreement on Tariffs and Trade (hereinafter referred to as the Valuation Agreement) Canada will implement the Valuation Agreement no later than 1 January 1985 provided that before that date there has been agreement under Article XXVIII of the GATT on such adjustments in Canadian tariff rates as may be needed to maintain tariff protection at the levels that would prevail were Canada not to implement the Valuation Agreement".

(c) Accession of further countries

At its meeting of 9 November 1984, the Committee agreed that countries having observer status in the Committee would be invited to participate in informal consultations on the question of possible accession, including any difficulties or problems in this connection, to be organized by the secretariat, on the basis of a number of questions suggested by certain delegations. Also in connection with the accession of further countries, the Committee welcomed the Seoul Declaration adopted by the Customs Co-operation Council at its annual meeting in May 1984, which among other things urges all countries not yet Parties to the Agreement on Implementation of Article VII of the GATT to intensify their efforts to accede and implement it as soon as possible. The Committee agreed that the

text of this Declaration should be circulated as a Committee document (VAL/12).

2. COMPOSITION OF THE COMMITTEE ON CUSTOMS VALUATION

Chairman: Mr. J.-C. Renoue (France)

Vice-Chairman: Mr. Chul-Jin Kim (Republic of Korea)

Signatories

Argentina <sup>1</sup>	Korea, Republic of
Australia	Malawi
Austria	New Zealand
Botswana	Norway
Brazil	Romania
Canada	South Africa
Czechoslovakia	Spain
European Economic Community and its member States	Sweden
Finland	Switzerland
Hungary	United Kingdom for Hong Kong
India	United States
Japan	Yugoslavia

Observers

(i) Governments:

Bangladesh	Nigeria
Bulgaria	Pakistan
Chile	Peru
Colombia	Philippines
Cuba	Poland
Ecuador	Portugal
Egypt	Singapore
Indonesia	Sri Lanka
Israel	Thailand
Ivory Coast	Trinidad and Tobago
Malaysia	Turkey
Nicaragua	Zaire

(ii) International Organizations:

Customs Co-operation Council (permanent observer)  
IMF  
UNCTAD

3. MEETINGS OF THE COMMITTEE

Since the third annual review, the Committee on Customs Valuation has held meetings on 26 April 1984, 24 September 1984 and 9 November 1984. Minutes of the first meeting are contained in VAL/M/9 and Corr.1; the Note by the Chairman is contained in L/5646. Minutes of the second meeting are contained in VAL/M/10; the Note by the Chairman is contained in L/5688.

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<sup>1</sup> Subject to ratification

Minutes of the third meeting will be issued as VAL/M/11; the Note by the Chairman is contained in L/5730.

4. NATIONAL LEGISLATION PRESENTED

Article 25 of the Agreement requires each Party 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 submission of the complete texts of national legislation (VAL/M/1, paragraph 37).

Since the third annual review, the following additional texts of national legislation, regulations and administrative procedures have been submitted:

Australia	VAL/1/Add.14/Suppl.1
European Economic Community	VAL/1/Add.2/Suppl.5
Norway	VAL/1/Add.11/Suppl.1
South Africa	VAL/1/Add.15 and Corr.1 and Suppl.1

At its second meeting, the Committee decided that Parties should provide written responses to a checklist of issues (VAL/2/Rev.1) concerning their national laws, regulations etc. (VAL/M/2, paragraph 52). Since the last annual review, a reply to the revised checklist of issues has been submitted by the delegation of South Africa (document VAL/2/Rev.1/Add.13).

A complete listing of national legislation and replies to the checklist of issues communicated to the Committee is at Annex II of this note.

At its meeting in April 1984, the Committee undertook a detailed examination of the South African legislation and replies to the checklist of issues (VAL/M/9 and Corr.1, paragraphs 10-16 and Annex). Questions were also raised concerning the legislation of the European Communities and Australia. In addition, Canada informed the Committee of steps being taken to bring into force national legislation so as to apply the provisions of the Agreement as from 1 January 1985.

At the Committee's November meeting, a number of points were raised concerning the legislation of Australia and South Africa, and the European Communities responded to the question raised at the April meeting. The Canadian delegation informed the Committee of further developments in regard to preparations for application of the provisions of the Agreement as from 1 January 1985.

It might also be noted that the Technical Committee has established procedures for the dissemination of information on publications relating to national legislation where the texts in question are not covered by the procedures of the Committee on Customs Valuation, and for the circulation of declaration forms for customs value. The Technical Committee also publishes an Index of rulings and conclusions on valuation questions issued by Parties. Details of information available through the Technical Committee are at Annex III of this note.

5. AMENDMENTS, INTERPRETATIONS AND RECTIFICATIONS OF THE TEXT OF THE AGREEMENT

A compendium of substantive and procedural decisions taken by the Committee on Customs Valuation, together with a listing of the texts issued by the Technical Committee, is contained in document VAL/10.

During the year under review, the Committee took the following decisions:

- (i) At its meeting of 26 April, the Committee adopted the Decision on the Treatment of Interest Charges in the Customs Value of Imported Goods. At its meeting of 24 September, the Committee agreed on a rectification to the French and Spanish texts of this Decision. The Decision, as rectified, is contained in document VAL/6/Rev.1. Information received from Parties concerning the application of this Decision has been circulated in document VAL/9 and Suppl.1.
- (ii) At its meeting of 24 September, the Committee adopted the Decision on the Valuation of Carrier Media Bearing Software for Data Processing Equipment (VAL/8). The statement made by the Chairman at this meeting prior to the adoption of the Decision has been circulated as document VAL/8/Add.1. Information received from Parties concerning the application of this Decision has been circulated in document VAL/11.

At its meeting of 9 November 1984, the Committee agreed to derestrict documents VAL/6/Rev.1 and VAL/8 and Add.1.

6. OTHER DECISIONS TAKEN BY THE COMMITTEE

The Committee has not taken any other decisions during the course of 1984. As mentioned above, a compendium of all decisions taken by the Committee so far has been circulated in document VAL/10.

7. POSSIBLE REQUIREMENTS FOR AMENDMENT, INTERPRETATION OR RECTIFICATION OF THE AGREEMENT

At its meeting of 26 April 1984, the Committee considered a question raised by the Technical Committee relating to the linguistic consistency between the English, French and Spanish texts of the Agreement of the term "development" in Article 8.1(b)(iv) on the basis of a secretariat note (VAL/W/24) analysing the linguistic issue and putting forward a suggestion for a common interpretation of the term in the three languages. At its meeting of 9 November 1984, the Committee agreed that the secretariat should prepare a revised version of the note incorporating certain clarifications and that any delegation which 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.

8. LITIGATION IN NATIONAL OR SUPRANATIONAL COURTS ON THE TEXT OF THE AGREEMENT

The European Communities has informed the Committee in document VAL/7 of a judgement delivered by the Court of Justice of the European Communities relating to the definition of "price actually paid or payable", in particular in respect of quota charges.

9. TECHNICAL ASSISTANCE

Technical assistance aimed at providing information to assist countries in their consideration of joining the Agreement and at helping countries in their preparations for the application of the Agreement has continued to be a matter of high priority to Parties, the Committee on Customs Valuation and the Technical Committee. Technical assistance is being made available to both developing country Parties and other developing countries interested in the Agreement.

Technical assistance activities are of two main types:

- (i) Seminars or training courses devoted to the Agreement. In the past year, seminars have been held in St. Lucia for officials from CARICOM countries (organized by EEC with the participation of the CCC and GATT secretariats), in Ouagadougou, Burkina Faso, for officials from French-speaking African countries (organized by CCC in conjunction with the West African Economic Community (CEAO) and Canada) and in the Republic of Korea (organized by the United States). The Customs Cooperation Council held in Brussels in June 1984 its first training course on the Agreement. The course was held in English and was attended by twenty-two participants from twelve developing countries. A second course was held in French from 22 October-2 November 1984.
- (ii) Training courses or seminars in which customs valuation was included as one of the items. Courses attended by customs officers from developing countries are held, generally annually, by Australia, Austria, Denmark, Finland, France, Federal Republic of Germany, Japan and Spain. The biannual trade policy course organized by the GATT secretariat in Geneva includes a lecture on the Agreement. GATT secretariat technical cooperation seminars during the past year that have included consideration of the Agreement, as one of a larger number of topics, have been held in Cameroon, Chile, China, Cuba, Honduras (CACM), Indonesia, Malaysia, Panama, Singapore, Thailand and Zimbabwe.

A further form of technical assistance activity is the direct attachment of customs officers of developing countries to the customs services of developed country Parties. During the past year, five officers from Brazil spent one month with the customs services of the European Communities and certain of its member States.

An information document describing technical assistance activities relating to the Agreement in more detail has been prepared by the CCC secretariat (CCC document 31.808).

10. INFORMATION AND ADVICE FROM THE TECHNICAL COMMITTEE, AND GENERAL REPORT ON THE TECHNICAL COMMITTEE

A detailed oral report on the work of the seventh session of the Technical Committee, held 27 February-2 March 1984, was presented by the observer from the Customs Cooperation Council to the 26 April meeting of the Committee on Customs Valuation (VAL/M/9, paragraphs 24-26). At its meeting, the Technical Committee had adopted the following texts:

- (i) A Commentary on the Treatment of Package Deals;
- (ii) An Advisory Opinion on the Treatment of Inadvertent Errors and of Incomplete Documentation;
- (iii) Two texts for insertion in the Explanatory Note on the Time Element in Relation to Articles 1, 2 and 3 of the Agreement.

These texts were approved at the May 1984 session of the Customs Cooperation Council.

A detailed oral report on the work of the eighth session of the Technical Committee, held 1-5 October 1984, was presented by the observer from the Customs Co-operation Council to the 9 November meeting of the Committee on Customs Valuation. At that meeting, the Technical Committee had adopted the following texts:

- (i) A Commentary on Adjustment for Difference in Commercial Level and Quantity under Article 1.2(b) and Articles 2 and 3 of the Agreement;
- (ii) A Commentary on Treatment of Costs of Activities Taking Place in the Country of Importation.

The Committee on Customs Valuation took note of these reports and expressed its appreciation of the excellent work of the Technical Committee.

11. SUBSTANTIAL DIFFICULTIES ENCOUNTERED BY PARTIES IN APPLYING THE AGREEMENT

As in previous years of operation of the Agreement, no Party has reported any substantial difficulty with applying the Agreement.

12. CONSULTATION AND DISPUTE SETTLEMENT

The secretariat is not aware of any Party that has requested consultations under Article 19 of the Agreement. The provisions of Article 20 have not been resorted to.

13. PANELISTS

In accordance with paragraph 2 of Annex III of the Agreement which states that each Party shall be invited to indicate at the beginning of every year to the Chairman of the Committee the name(s) of one or two



governmental experts whom the Parties would be willing to make available for panel work, the following Parties have nominated persons who would be available to serve on panels: European Economic Community, Finland, Japan, Norway, Romania, Spain, Sweden, United Kingdom for Hong Kong, and United States.

#### 14. OTHER MATTERS RELATING TO IMPLEMENTATION

##### Use of various valuation methods by Parties

It will be recalled that, at its meeting of 10-11 November 1983, the Committee agreed that a new data collection exercise should be postponed until additional countries were applying the Agreement, and decided to revert to this question at an appropriate future meeting.

#### 15. ANNUAL REPORT TO THE CONTRACTING PARTIES

The Committee adopted its annual report (L/5729) to the CONTRACTING PARTIES at its meeting of 9 November 1984 in accordance with the requirements of Article 26 of the Agreement.

#### 16. GENERAL APPRECIATION OF EXPERIENCE WITH THE OPERATION AND IMPLEMENTATION OF THE AGREEMENT

The experience of Parties applying the Agreement has led to general satisfaction on their part with its implementation and operation so far. Indications of this are that no substantial difficulties have been encountered so far by Parties in applying the Agreement and that no use has yet been made of the consultation and dispute settlement provisions of the Agreement. More positively, the Parties hold the view that, in general, the Agreement has facilitated international trade and has proved, from the administrative point of view, to be practicable and reasonably uncomplicated. It is noteworthy that the Agreement has in general been welcomed by both customs authorities and by traders.

The paragraphs that follow examine the experience of Parties with the Agreement in terms of its objectives as specified in the preamble to the Agreement.

To further the objectives of the GATT. Through contributing to the creation of a more stable and predictable trading environment, the Agreement has furthered the fulfilment of the objectives of the GATT.

Additional benefits for the trade of developing countries. Many developing countries were among the most active critics of certain previous valuation practices, which they felt in some cases had particularly adverse effects on their trade. Most of these practices have been eliminated in those countries applying the Agreement. Most developing country Parties have taken advantage of the provisions in the Agreement (including the Protocol to it) concerning technical assistance and greater flexibility in the introduction and application of its provisions. Technical assistance has also been made available to developing countries not Parties to the Code but expressing an interest in it. Technical assistance has been principally directed towards attempting to deal with a number of difficulties and concerns which some developing countries consider might

arise in the implementation and application of the Agreement, notably as related to training of personnel, developing national implementing legislation and procedures etc., risk of fraud and implications for revenue. In this connection, the Committee and individual Parties have reaffirmed their readiness to discuss further with interested parties any obstacles they feel might exist to acceptance of the Agreement (see Section 1(c) above).

Greater uniformity and certainty. Prior to the coming into force of the Agreement several different valuation systems were applied in major trading countries. The principles of the Brussels Definition of Value were applied in many countries but this did not necessarily mean that practices in those countries were uniform in all respects. The thirty-three countries presently Parties to the Agreement account between them for some two-thirds of world imports (see Annex IV for details). Uniformity of interpretation and application of the Agreement has been a major concern of the institutions of the Agreement: the Committee on Customs Valuation has examined in detail the national legislation of Parties with a view to ensuring its consistency with the Agreement; the Technical Committee has adopted over thirty-five texts with the purpose of ensuring uniformity of interpretation and application at the technical level. In one case, that of computer software, the Committee on Customs Valuation has adopted a decision (VAL/8), which, because of circumstances agreed to be "unique", countenances the possibility of Parties applying different valuation practices. While some two-thirds of world imports are already subject to the Agreement, it remains a major objective of the Parties to encourage more countries to accept the Agreement. By laying down more precise rules for valuing goods and limiting the scope for arbitrary determinations, the Agreement has also helped increase uniformity and certainty of implementation within countries. The Agreement appears to have been welcomed by both customs and traders as generally increasing the predictability of the customs value to be placed on imports and thus of the amount of duty payable.

Fair, uniform and neutral system that precludes the use of arbitrary or fictitious customs values. Those practices previously in force that were considered not to be consistent with these criteria are forbidden under the Agreement, and have accordingly been eliminated by Parties that apply the Agreement.

Maximum use of transaction value. The statistics collected by the Committee have confirmed that the great majority of import entries is being valued using the transaction value method - over 90 per cent in most Parties (VAL/W/5 and Addenda; VAL/M/8, paragraphs 20 and 49). The Committee has agreed on the value of further data collection exercises on the use of different valuation methods for the effective monitoring of the implementation of the Agreement.

Simple and equitable criteria consistent with commercial practices. In many Parties the new valuation system has been found to be less complicated than the systems previously in force. A noteworthy feature in this connection is that under the Agreement customs value is generally determined on the basis of information available in the country of importation. The greater alignment of the valuation criteria with commercial practices, notably the use of the transaction value wherever

possible and the smaller number of adjustments to be made as compared with some previous practices, has also simplified administration. The reduction in complexity has been reflected in savings of resources on the part of both customs and traders and in a generally greater speed and efficiency of the processing of customs entries.

General application without distinction between sources of supply.  
The Valuation Agreement, by laying down detailed rules of general application that limit the scope for discretion, restricts the possibility of action in the valuation field inconsistent with the the m.f.n. provisions of the GATT.

Valuation procedures should not be used to combat dumping. In its Commentary 3.1, the Technical Committee has reconfirmed that the established or suspected existence of dumping cannot in itself be a justification for rejecting or adjusting the transaction value.

ANNEX I

STATUS OF ACCEPTANCE OF AGREEMENT ON IMPLEMENTATION OF ARTICLE VII OF THE  
GENERAL AGREEMENT ON TARIFFS AND TRADE (INCLUDING PROTOCOL TO THAT  
AGREEMENT<sup>1</sup>)

The Agreement has been accepted by the following governments, on the dates and with the conditions or declarations specified.

- Argentina (subject to ratification) 30 September 1980

The acceptance was accompanied by the following communication:

In connection with Argentina's acceptance, subject to ratification, of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade and the Protocol thereto, I have the honour to advise you that:

- (a) In accordance with paragraph 4 of the Protocol to the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade, the Government of Argentina makes the following reservation:

The Government of Argentina reserves the right to provide that the relevant provision of Article 4 of the Agreement shall apply only when the customs authorities agree to the request to reverse the order of Articles 5 and 6.

- (b) In accordance with paragraph 5 of the Protocol to the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade, the Government of Argentina makes the following reservations:

The Government of Argentina reserves the right to provide that Article 5.2 of the Agreement shall be applied in accordance with the provisions of the relevant note thereto whether or not the importer so requests.

- (c) In accordance with Article 21 of the Agreement on Implementation of Article VII of the General Agreement, the Government of Argentina will delay application of all the provisions of that Agreement until 1 January 1982, and

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<sup>1</sup>Upon the entry into force of the Agreement (1 January 1981), the provisions of the Protocol were deemed to be part of the Agreement.

- (d) In accordance with Article 21 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade, the Government of Argentina will delay application of the computed-value method envisaged in Articles 1 and 6 for an additional period of three years as from the date of application of all other provisions by Argentina.

In addition, I have the honour to advise you that the minimum official c.i.f. values still in effect in Argentina would no longer be in existence when Argentina begins to apply the Agreement. Those values would be eliminated or replaced, where necessary, by minimum specific duties.

On 14 August 1981 the following communication was received from the Government of Argentina:

With reference to my letter of 30 September 1980 regarding acceptance by Argentina, subject to ratification, of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade and the Protocol thereto, I have the honour to advise you that, in connection with paragraph (c) of the said letter, and due to unforeseen circumstances, the Government of the Argentine Republic has decided to delay application of the Agreement and the Protocol until 1 January 1986, in pursuance of Article 21:1. This delay will also have the effect of maintaining in force the minimum c.i.f. import values.

Consequently, and in pursuance of Article 21:2 of the Agreement, the Government of the Argentine Republic will delay application of the valuation method described in Article 1:2(b)(iii) and 6 for an additional period of three years as from the date on which Argentina has brought into application all the other provisions of the Agreement.

- |   |                                   |                  |
|---|-----------------------------------|------------------|
| - | Australia                         | 22 November 1982 |
| - | Austria (subject to ratification) | 17 December 1979 |

Ratification

9 December 1980

- Botswana

13 August 1984

The acceptance was accompanied by the following declaration:

Upon accepting the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade in accordance with Article 22.3 of that Agreement, the Government of Botswana declares that, until any such time that it might become a contracting party to the GATT, it will continue to apply de facto the General Agreement on Tariffs and Trade, and in particular Articles I and VII thereof, in its trade with all the Parties to the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade to the extent necessary to ensure that advantages which accrue directly or indirectly under the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade are not nullified or impaired, on the understanding that the Parties to the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade will equally apply de facto the General Agreement on Tariffs and Trade in their trade with Botswana.

The Government of Botswana declares its readiness to examine in the Committee on Customs Valuation any difficulty or matter that may arise related to the application of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade between Botswana and another Party.

- Brazil

23 June 1981

The acceptance was accompanied by the following communication:

The Brazilian Government wishes to make the following reservations regarding paragraphs 3, 4 and 5 of the Protocol of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade:

Paragraph 3: The Government of Brazil reserves the right to retain the system of officially established minimum values, under paragraph 3 of the Protocol;

Paragraph 4: The Government of Brazil reserves the right to provide that the relevant provision of Article 4 of the Agreement shall apply only when the customs authorities agree to the request to reverse the order of Articles 5 and 6;

Paragraph 5: The Government of Brazil reserves the right to provide that Article 5.2 of the Agreement shall be applied in accordance with the provisions of the relevant note thereto whether or not the importer so requests.

At the same time, under Article 21.1 of the Agreement, the Government of Brazil declares that the application of the Agreement will be delayed for a period of five years.

- Canada (subject to the following reservation) 17 December 1979  
  
Notwithstanding Articles 24 and 25 of the Agreement on the Implementation of Article VII of the General Agreement on Tariffs and Trade (hereinafter referred to as the Valuation Agreement) Canada will implement the Valuation Agreement no later than 1 January 1985 provided that before that date there has been agreement under Article XXVIII of the GATT on such adjustments in Canadian tariff rates as may be needed to maintain tariff protection at the levels that would prevail were Canada not to implement the Valuation Agreement.
- Czechoslovakia (subject to ratification) 2 April 1984  
Ratification 28 May 1984
- European Economic Community 17 December 1979
- Finland (subject to ratification) 17 December 1979  
Ratification 24 October 1980
- Hungary 18 July 1980
- India 11 July 1980

The acceptance was accompanied by the following communication:

- (a) Under Article 21.1 of the Agreement, the Government of India declares its intention to delay the application of the Agreement for a period of five years.
  - (b) Under Article 21.2 of the Agreement, the Government of India declares its intention to delay the application of Article 1.2(b)(iii) and Article 6 for a further period of three years after the application of all other provisions of the Agreement.
  - (c) Under paragraph 3 of the Protocol, the Government of India reserves the right to retain the system of fixed tariff values.
  - (d) Under paragraph 4 of the Protocol, the Government of India reserves the right to provide that the relevant provision of Article 4 of the Agreement shall apply only when the customs authorities agree to reverse the order of Articles 5 and 6.
  - (e) Under paragraph 5 of the Protocol, the Government of India reserves the right to provide that Article 5.2 of the Agreement shall be applied in accordance with the provisions of the relevant note thereto whether or not the importer so requests.
- Japan (subject to completion of constitutional procedures) 17 December 1979
- Acceptance 25 April 1980
- Korea, Rep. of 6 January 1981

The acceptance was accompanied by the following communication:

In connection with the acceptance by the Government of the Republic of Korea of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade and the Protocol thereto, I have the honour to advise you that:

1. In accordance with Article 21.1 of the Agreement, the Government of the Republic of Korea decides to delay the application of the Agreement for a period of five years.



2. In accordance with Article 21.2, the Government of the Republic of Korea decides to delay the application of Article 1.2(b)(iii) and Article 6 for a further period of three years after the application of all other provisions of the Agreement.

- Malawi

22 November 1983

The acceptance was accompanied by the following communication:

In respect of Article 4 of the Agreement, it is the view and understanding of the Government of the Republic of Malawi that the order of application of Article 5 and 6 of the Agreement shall be reversed at the request of the importer with the consent of the competent customs authorities in each case.

It is the wish of the Government of the Republic of Malawi to delay the application of the Agreement for five years from the date on which the Agreement enters into force in respect of the Government of the Republic of Malawi.

- New Zealand

1 June 1982

The acceptance was accompanied by the following communication:

The acceptance of the Government of New Zealand shall not extend the application of the provisions of the Agreement or of its Protocol to the Cook Islands, Niue and Tokelau.

- Norway (subject to acceptance)

17 December 1979

Acceptance

24 October 1980

- Romania

25 June 1980

- South Africa

1 June 1983

- Spain (subject to ratification)

9 May 1980

The acceptance was accompanied by the following declaration: Spain intends to make use of the advantages provided in Article 21 of this Code.

Ratification

19 June 1981

- Sweden (subject to ratification) 17 December 1979  
Ratification 1 October 1980
- Switzerland 17 December 1979
- United Kingdom 17 December 1979

In respect of the territories for which it has international responsibility except for: Antigua, Bermuda, Brunei, Cayman Islands, Montserrat, St. Kitts-Nevis, Sovereign Base Areas Cyprus.

Since Hong Kong has been particularly closely associated with the working of the GATT, it may be useful to mention in particular that among the territories to which the Agreement thus applies is Hong Kong.

- United States (subject to acceptance) 17 December 1979  
Acceptance 30 December 1980
- Yugoslavia (subject to approval) 3 November 1980  
Ratification 18 August 1982

ANNEX II

Information on National Legislation

Below are listed the references to the documents containing national laws, regulations etc. and replies to the Checklist of Issues (VAL/2/Rev.1) received from Parties.

<u>Party</u>	<u>National legislation</u>	<u>Replies to the Checklist of Issues</u>
Argentina	Not yet applying the Agreement	
Australia	VAL/1/Add.14 + Suppl.1	VAL/2/Rev.1/Add.12
Austria	VAL/1/Add.10	VAL/2/Rev.1/Add.3 + Suppl.1
Botswana	Not yet received	Not yet received
Brazil	Not yet applying the Agreement	
Canada	Not yet applying the Agreement	
Czechoslovakia	Not yet received	Not yet received
European Economic Community	VAL/1/Add.2 + Suppl.1-5	VAL/2/Rev.1/Add.6
Finland	VAL/1/Add.4 + Suppl.1	VAL/2/Rev.1/Add.5
Hungary	VAL/1/Add.6	VAL/2/Rev.1/Add.4
India	Not yet applying the Agreement	
Japan	VAL/1/Add.7	VAL/2/Rev.1/Add.8
Korea, Rep. of	Not yet applying the Agreement	
Malawi	Not yet applying the Agreement	
New Zealand	VAL/1/Add.12	VAL/2/Rev.1/Add.10
Norway	VAL/1/Add.11 + Corr.1 + Suppl.1	VAL/2/Rev.1/Add.7
Romania	VAL/1/Add.8 + Suppl.1	VAL/2/Rev.1/Add.9
South Africa	VAL/1/Add.15 + Corr.1 + Suppl.1	VAL/2/Rev.1/Add.13
Spain	Not yet applying the Agreement	
Sweden	VAL/1/Add.3	VAL/2/Rev.1/Add.2 + Suppl.1
Switzerland	VAL/1/Add.5	Not applicable
United Kingdom on behalf of Hong Kong	VAL/1/Add.9	Not applicable
United States	VAL/1/Add.1 + Suppl.1-3	VAL/2/Rev.1/Add.1
Yugoslavia	VAL/1/Add.13	VAL/2/Rev.1/Add.11

ANNEX III

Information relevant to the implementation and administration of the Agreement disseminated through the Technical Committee

A. Dissemination of information on national legislation, etc.

The Technical Committee has established procedures for the dissemination of information on national publications relating to the adoption and implementation of the Agreement other than those texts circulated to the Committee on Customs Valuation under the procedures relating to the notification of national legislation. The following Parties have informed the Technical Committee, in the CCC documents specified, of publications that they would make available on request:

<u>Party</u>	<u>CCC document number</u>
Australia	28.311
Canada	28.619 and 29.275
European Economic Community	27.182
Japan	27.182
New Zealand	29.939
Sweden	27.703
United States	27.292 and 28.109

B. Declaration forms

Declaration forms for valuation purposes of the following Parties have been circulated in the CCC documents indicated:

<u>Party</u>	<u>CCC document number</u>
Austria (provisional translation)	29.276
European Economic Community	26.916
Finland	27.484
Japan	27.473
New Zealand	29.938
Sweden	28.225

C. Index of rulings

The Technical Committee has distributed an index listing rulings and conclusions on valuation questions issued by countries applying the Agreement. Parties interested in a particular ruling can request the full text from the issuing administration. The most up-to-date edition of this index is CCC document 32.000/Rev.1, which contains references to rulings and conclusions issued by Austria, European Economic Community, Finland, Japan, New Zealand, Sweden and the United States.

ANNEX IV

Trade subject to Code on Customs Valuation - 1982  
(US\$ billion)

	<u>Imports c.i.f.</u>	<u>%</u>
Total World Imports of which:	1,619,362 <sup>1</sup>	100.0
Parties at present applying Code:		
Australia	24,187	1.5
Austria	19,559	1.2
Botswana	n.a.	-
Czechoslovakia	15,499	1.0
EEC	306,688 <sup>1</sup>	18.9
Finland	13,387	0.8
Hungary	8,825 <sup>2</sup>	0.5
Japan	131,932	8.1
New Zealand	5,826	0.4
Norway	15,479	1.0
Romania	9,836 <sup>2</sup>	0.6
South Africa	16,957	1.0
Sweden	27,591	1.7
United States	254,884	15.7
Yugoslavia	14,057	0.9
Sub-Total	864,707	53.4
Parties with no <u>ad valorem</u> import duties:		
Switzerland	28,670	1.8
UK for Hong Kong	23,554	1.5
Sub-Total	52,224	3.2
Parties which have delayed application of the Code:		
Argentina (1 Jan 86)	5,337	0.3
Brazil (13 July 86)	19,923	1.2
Canada (1 Jan 85)	55,091 <sup>2</sup>	3.4
India (1 Jan 86)	14,088	0.9
Korea, Rep. of (5 Feb 86)	24,251	1.5
Malawi (22 Dec 88)	314	-
Spain (not later than 19 July 86)	31,535	1.9
Sub-Total	150,539	9.3
Total of Parties	1,067,470	65.9

Source: UN Monthly Bulletin of Statistics, January 1984

<sup>1</sup>Excluding trade between EEC member States.

<sup>2</sup>Imports f.o.b.