

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MTN/NTM/W/20/Add.7
30 January 1976

Special Distribution

Multilateral Trade Negotiations

Original: English

Group "Non-Tariff Measures"

Sub-Group "Customs Matters"

CUSTOMS VALUATION

Addendum

1. At its meeting in May 1975, the Sub-Group "Customs Matters" agreed "that participants should transmit to the GATT secretariat in writing by 15 September 1975 specific suggestions, accompanied by notes explaining the objectives of these suggestions, for the elements that they wished to have included in any new set of international rules on customs valuation to be adopted in the context of the Multilateral Trade Negotiations" (MTN/NTM/4, paragraph 6 and GATT/AIR/1189).
2. This agreement was confirmed at the October 1975 meeting of the Sub-Group. The Sub-Group also agreed that the written submissions contained in MTN/NTM/W/20 and addenda would, inter alia, constitute the basis for the discussion at its next meeting.
3. A communication from Korea has been received and is reproduced hereunder.
4. Delegations who have not yet submitted their comments are invited to do so without delay.

-
1. The determination of customs value should be neutral in its effect and should not be used as a means of providing additional protection by artificially increasing the values of the imported merchandise, and valuation procedures should not be used to combat dumping.

./.

2. The value of imported merchandise for customs purposes should be the price at which the imported merchandise is sold or would be sold with a view to importation into the country of importation in the ordinary course of trade under fully competitive conditions between a buyer and a seller independent of each other, where that price is the sole consideration.

2. The value of imported merchandise for customs purposes should in no case be based on the price of goods of national origin, nor on the price of goods in the domestic market of the exporting country, nor on any arbitrary or fictitious values, such as any system of valuation based on the concept of minimum value.

4. The value of imported merchandise for customs purposes should not be based on the alternative valuation system, which means, for example, using the higher price of the two, the domestic price of exporting countries or the export price on certain products.