

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

Committee on Customs Valuation

CONTRIBUTION TO THE MINISTERIAL MEETING

Note by the Chairman

The main areas of consideration in the Committee on Customs Valuation of relevance to the work of the Preparatory Committee are as follows:

The Parties applying the Agreement on Customs Valuation have taken the necessary steps to ensure the proper implementation and administration of the Agreement by way of ratification and, where necessary, adaption of national laws and regulations. Certain countries, especially developing countries, have made a reservation to delay the application of the provisions of the Agreement.

One of the main tasks undertaken by the Committee on Customs Valuation has been to examine the texts of the national legislation relating to customs valuation of the Parties presently applying the Agreement. In addition, replies to a checklist of issues relating to national legislation were the subject of detailed examination. It has been found that the provisions of the Agreement have by and large been faithfully reflected in the legislation of the Parties concerned.

The Committee has also reviewed data on the method of valuation used for entries during a certain period of time by the Parties. The figures confirm that the main valuation method under the Agreement, i.e. based on the transaction value, is being used in the vast majority of cases. This result was considered to be relevant in allaying certain of the fears which countries that have not yet adhered to the Code had expressed in respect of the Agreement.

In view of its importance towards encouraging developing countries to adhere to the Agreement, the subject of technical assistance has been put on the agenda of the Committee as a permanent point in order that specific requirements for such assistance can be reviewed. A number of developed country Parties as well as the secretariats of the GATT and the Customs Co-operation Council have provided technical assistance to developing countries on a national and regional basis. It has been noted that requests for technical assistance have increased recently and that additional efforts might have to be made in order to satisfy these needs.

The Committee has started a discussion on two proposals for possible amendments to the Agreement, one from the United States concerning the valuation of computer software and the other one from the European Economic Community concerning the treatment of interest charges in cases of deferred payment for imported goods.

A specific feature of the Agreement is the joint responsibility for its management between the GATT and the Customs Co-operation Council (CCC). In parallel to the GATT Committee on Customs Valuation, there exists the Technical Committee on Customs Valuation established under the auspices of the CCC which has held three meetings since 1981. The Chairman of the Technical Committee has reported to the GATT Committee on the activities of the Technical Committee after each meeting held. Close co-operation and collaboration has been ensured between the two Committees and the two organizations and secretariats concerned.

The implementation of the new GATT valuation system by many important trading nations has brought about a considerable simplification in international trade, as well as transparency and objectivity both for customs administrations and the business community, as the Agreement covers the largest number of transactions across the border. In view of the very positive experience which the Parties presently applying the Agreement have made in its implementation, there has been a widespread expression of hope in the Committee that other countries which have not yet done so, would soon join the Agreement.