

WORLD TRADE ORGANIZATION

RESTRICTED

G/VAL/W/77
30 October 2000

(00-4536)

Committee on Customs Valuation

SIXTH ANNUAL REVIEW OF THE IMPLEMENTATION AND OPERATION OF THE AGREEMENT ON IMPLEMENTATION OF ARTICLE VII OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994

Background Working Document by the Secretariat

This working document is circulated by the Secretariat in preparation for the sixth annual review of the implementation and operation of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (the Agreement), to be conducted at the forthcoming meeting on 7 November 2000. As indicated in the text below, this document will have to be updated in light of the discussion at that meeting in order to give a full picture of the developments in the Committee during the current year.

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.

The contents of this document are as follows:

	<u>Page</u>
I. MEMBERS, DELAYED APPLICATIONS, RESERVATIONS AND OBSERVER STATUS	3
II. OFFICERS OF THE WTO COMMITTEE ON CUSTOMS VALUATION.....	8
III. MEETINGS OF THE COMMITTEE	8
IV. NATIONAL LEGISLATION PRESENTED	8
V. AMENDMENTS, INTERPRETATIONS AND RECTIFICATIONS OF THE TEXT OF THE AGREEMENT	9
VI. OTHER DECISIONS TAKEN BY THE COMMITTEE	9
VII. TECHNICAL ASSISTANCE	9
VIII. REPORTS BY THE TECHNICAL COMMITTEE ON CUSTOMS VALUATION...	10
IX. CONSULTATION AND DISPUTE SETTLEMENT	10
X. ANNUAL REPORT TO THE COUNCIL FOR TRADE IN GOODS (G/VAL/W/21)	10

MEMBERS, DELAYED APPLICATIONS, RESERVATIONS AND OBSERVER STATUS

(a) WTO Members (139)

Albania	Greece	Pakistan
Angola	Grenada	Panama
Antigua and Barbuda	Guatemala	Papua New Guinea
Argentina	Guinea Bissau	Paraguay
Australia	Guinea, Rep.of	Peru
Austria	Guyana	Philippines
Bahrain	Haiti	Poland
Bangladesh	Honduras	Portugal
Barbados	Hong Kong, China	Qatar
Belgium	Hungary	Romania
Belize	Iceland	Rwanda
Benin	India	Saint Kitts and Nevis
Bolivia	Indonesia	Saint Lucia
Botswana	Ireland	Saint Vincent & Grenadine
Brazil	Israel	Senegal
Brunei Darussalam	Italy	Sierra Leone
Bulgaria	Jamaica	Singapore
Burkina Faso	Japan	Slovak Republic
Burundi	Jordan	Slovenia
Cameroon	Kenya	Solomon Islands
Canada	Korea	South Africa
Central African Republic	Kuwait	Spain
Chad	Kyrgyz Republic	Sri Lanka
Chile	Latvia	Suriname
Colombia	Lesotho	Swaziland
Congo	Liechtenstein	Sweden
Congo, Democratic Republic of the	Luxembourg	Switzerland
Costa Rica	Macau	Tanzania
Côte d'Ivoire	Madagascar	Thailand
Cuba	Malawi	Togo
Cyprus	Malaysia	Trinidad and Tobago
Czech Republic	Maldives	Tunisia
Denmark	Mali	Turkey
Djibouti	Malta	Uganda
Dominica	Mauritania	United Arab Emirates
Dominican Republic	Mauritius	United Kingdom
EC	Mexico	United States
Ecuador	Mongolia	Uruguay
Egypt	Morocco	Venezuela, The Bolivarian
El Salvador	Mozambique	Republic of
Estonia	Myanmar	Zambia
Fiji	Namibia	Zimbabwe
Finland	Netherlands	
France	New Zealand	
Gabon	Nicaragua	
Gambia	Niger	
Georgia	Nigeria	
Germany	Norway	
Ghana	Oman	

(b) Delayed Application and Reservations¹

The provisions for special and differential treatment available for developing country Members have been invoked as follows:

(i) *Article 20.1 (delayed application of the provisions of the Agreement) (8)*

Benin	Madagascar
Cameroon	Niger
Chad	United Arab Emirates
Ecuador	
Haiti	

(ii) *Article 20.2 (delayed application of the computed value method) (47)*

Bahrain	Kuwait
Bangladesh	Madagascar
Bolivia	Malaysia
Brunei Darussalam	Mali
Burkina Faso	Malta
Burundi	Mauritania
Cameroon	Myanmar
Chile	Nicaragua
Colombia	Nigeria
Costa Rica	Pakistan
Côte d'Ivoire	Peru ¹
Djibouti	Philippines
Dominican Republic	Senegal
Egypt	Sri Lanka
Ecuador	Tanzania
El Salvador	Thailand
Gabon	Togo
Guatemala	Tunisia
Guyana	United Arab Emirates
Haiti	Uruguay
Honduras	Venezuela, The Bolivarian Rep. of
Indonesia	Zambia
Israel	
Jamaica	
Kenya	

¹ This table reflects the situation with respect to reservations as at 7 November 2000.

¹The invocation of the special provisions available for developing country Members under the Customs Valuation Agreement 1979 shall continue to apply under the WTO Customs Valuation Agreement for the developing country Member concerned (WT/L/38).

(iii) *Annex III, paragraph 1 (extension of the five-year delay period)(13)*

Côte d'Ivoire
Dominican Republic
Egypt
El Salvador
Guatemala
Jamaica
Kuwait
Mauritania
Myanmar
Paraguay
Sri Lanka
Tanzania
Tunisia

(iv) *Annex III, paragraph 2 (reservation concerning minimum values) (17)*

Colombia²
Côte d'Ivoire
Dominican Republic
Gabon²
Guatemala
Haiti
Honduras²
Jamaica
Madagascar
Malta²
Mauritania
Morocco²
Myanmar
Nicaragua²
Niger
Sri Lanka
Tunisia

² Decision granted by the Committee in accordance with paragraph 2, Annex III and the Decision on Reservations in G/VAL/5.

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

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

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

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

(c) Observer Governments (35)

Algeria	Lithuania
Andorra	Moldova
Armenia	Nepal
Azerbaijan	Russian Federation
Belarus	Samoa
Bhutan	San Marino
Bosnia	São Tomé
and Herzegovina	and Principe
Cambodia	Saudi Arabia
Cape Verde	Seychelles
China, Peoples Rep.	Sudan
Croatia	Taipei, Chinese
Equatorial Guinea	Tonga
Ethiopia	Ukraine
Former Yugoslav Rep. of Macedonia	Uzbekistan
Holy See	Vanuatu
Kazakhstan	Viet Nam
Laos, P.D.R. of	Yemen
Lebanon	

(d) Observer International Organizations (5)³

World Customs Organization
IMF
UNCTAD
ACP
IADB

¹The invocation of the special provisions available for developing country Members under the Customs Valuation Agreement 1979 shall continue to apply under the WTO Customs Valuation Agreement for the developing country Member concerned (WT/L/38).

³These 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).

II. OFFICERS OF THE WTO COMMITTEE ON CUSTOMS VALUATION

Chairperson: Mr. Remo Moretta (Australia)

Vice-Chairperson: Mr. Alejandro Buvinic (Chile)

III. MEETINGS OF THE COMMITTEE

During the reporting period, the Committee has held [five] formal meetings on 3, 9 and 16 March (G/VAL/M/13); 12, 28 April and 10, 31 May (G/VAL/M/14) under the Chairmanship of Mr. Edward Brown (United Kingdom) and on 14 June and 4 July (G/VAL/M/15); 21 July (G/VAL/M/16); and 7 November 2000 (G/VAL/M/17 to be issued) under the Chairmanship of Mr. Remo Moretta (Australia).

IV. NATIONAL LEGISLATION PRESENTED

(i) Texts of national legislation

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).

During the reporting period, the following communications and texts have been submitted:

Brazil (G/VAL/N/1/BRA/3)
Bulgaria (G/VAL/N/1/BGR/2)
Costa Rica (G/VAL/N/1/CRI/1)
Estonia (G/VAL/N/1/EST/1)
Jordan (G/VAL/N/1/JOR/1)
Kyrgyz Republic (G/VAL/N/1/KGZ/1)
Malta (G/VAL/N/1/MLT/1)
Slovenia (G/VAL/N/1/SVN/2)
Turkey (G/VAL/N/1/TUR/2)
Zambia (G/VAL/N/1/ZMB/1)

(ii) Checklist of issues

At its first meeting, on 12 May 1995, the Committee agreed on procedures for the submission of a checklist of issues (G/VAL/M/1, paragraphs 36-39).

During the reporting period, the following communications have been submitted:

Bulgaria (G/VAL/N/2/BGR/1)
Kyrgyz Republic (G/VAL/N/2/KGZ/1)
Poland (G/VAL/N/2/POL/1)
Estonia (G/VAL/N/2/EST/1)
Japan (G/VAL/N/2/JPN/1)
Kyrgyz Republic (G/VAL/N/2/KGZ/1)
Malta (G/VAL/N/2/MLT/1)

(iii) *Examination of national legislation*

At its meeting of April/May 2000, the Committee pursued its examination of various communications and implementing legislations. The Committee agreed to conclude the examination of the legislations of Bulgaria. It agreed to continue examination of the legislation of Brazil and Romania. The Committee noted that of the 55 developing countries that had invoked the delay period provided in Article 20.1, 29 were obliged to apply the Agreement by 1 January 2000 and another 20 by the end of the year 2000.

[To be updated following the meeting of 7 November 2000].

(iv) *Information on the application of the Committee Decisions*

Information 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), made available by Members, is summarized in document G/VAL/W/5/Rev.7 and Rev.8.

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

At its first meeting on 12 May 1995, the Committee adopted the decisions relating to the interpretation of the Agreement, which had previously been adopted by the Tokyo Round Committee (G/VAL/M/1, paragraphs 66-67). The decisions were reproduced in document G/VAL/5. No new decisions relating to the interpretation of the Agreement were adopted during the reporting period.

VI. OTHER DECISIONS TAKEN BY THE COMMITTEE

At its first meeting on 12 May 1995, the Committee adopted other decisions which are contained in document G/VAL/5. The Committee also adopted decisions that were referred by the Ministers at Marrakesh to the Committee for adoption. The texts of the decisions are contained in document G/VAL/1. The Committee adopted Decisions granting extensions of the five-year delay period, in accordance with paragraph 1 of Annex III of the Agreement for 13 Members (see list above). In addition, the Committee adopted Decisions granting reservations for continuing officially established systems of minimum values for 6 Members (see list above).

VII. TECHNICAL ASSISTANCE

Technical assistance aimed at helping countries in their preparations for the application of the Agreement has continued to be a matter of high priority to Members, to the Committee and to the Technical Committee during the reporting period. At the April/May meeting, the WTO Secretariat briefed the Committee on the progress and plans for its Technical Assistance Programme on Customs Valuation. The Committee also heard a report from the Inter-American Development Bank on its activities and a report from the World Customs Organization on its interim activities related to a review of its technical assistance activities. At the June/July meeting, the Committee heard an oral communication from the European Communities on a proposal for a technical assistance project; at the 21 July meeting, the Chairman gave a report of his consultations on this matter.

[To be completed in light of the November 2000 meeting.]

VIII. REPORTS BY THE TECHNICAL COMMITTEE ON CUSTOMS VALUATION

Meetings of the Technical Committee

[At the November meeting, the representative of the World Customs Organization (WCO) presented an oral report on the Tenth and Eleventh Sessions of the Technical Committee on Customs Valuation, held on 22-26 May 2000 and on 30 October - 3 November 2000, respectively].

The Committee on Customs Valuation took note of these reports and expressed appreciation for the continued valuable work of the Technical Committee.

IX. CONSULTATION AND DISPUTE SETTLEMENT

During the reporting period, the United States initiated consultations with Brazil pursuant to Article 19 of the WTO Agreement on Implementation of Article VII of the GATT 1994, Article 19 of the WTO Agreement on Agriculture, Article 8.4 of the Agreement on Textiles and Clothing, Article 6 of the Agreement on Import Licensing Procedures, Articles 1 and 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes, and Article XXII of the GATT 1994 on Brazil's alleged use of minimum import prices for customs valuation purposes. The United States also initiated consultations with Romania pursuant to the above provisions except Article 6 of the Agreement on Import Licensing Procedures on Romania's alleged use of minimum import prices for customs valuation purposes.

X. ANNUAL REPORT TO THE COUNCIL FOR TRADE IN GOODS

[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/VAL/W/78)].

[Document to be finalized in light of the discussion at the November 2000 meeting.]

ANNEX I
Information on National Legislation

Below are listed the references of the documents¹ containing national laws, regulations etc. and replies to the Checklist of Issues received from Members.

<u>Member</u>	<u>National legislation</u>	<u>Replies to the Checklist of Issues</u>
Argentina	VAL/1/Add.22 + Suppl. 1-4 + Suppl.2/Rev.1 G/VAL/N/1/ARG/1	VAL/2/Rev.2/Add.4
Australia	VAL/1/Add.14 + Suppl.1-4 G/VAL/N/1/AUS/1	VAL/2/Rev.1/Add.12 + Suppl.1
Botswana	VAL/1/Add.16	Not received
Brazil	VAL/1/Add.20 + Suppl.1 G/VAL/N/1/BRZ/1 G/VAL/N/1/BRZ/2	VAL/2/Rev.2/Add.3
Bulgaria	G/VAL/N/1/BGR/1	G/VAL/N/2/BGR/1
Canada	VAL/1/Add.17 + Suppl.1-3 G/VAL/N/1/CAN/1 G/VAL/N/1/CAN/2	VAL/2/Rev.1/Add.14 G/VAL/N/2/CAN/1
Costa Rica	G/VAL/N/1/CRI/1	
Cyprus	VAL/1/Add.26 G/VAL/N/1/CYP/2	VAL/2/Rev.2/Add.7
Czech Rep.	VAL/1/Add.18 + Suppl.1/ Corr.1-2 G/VAL/N/1/CZE/1 G/VAL/N/1/CZE/2 G/VAL/N/1/CZE/3	VAL/2/Rev.1/Add.15 + Suppl.1 G/VAL/N/2/CZE/1
EEC	VAL/1/Add.2 + Suppl.1-13 + Suppl.1 G/VAL/N/1/EEC/1/Rev.1	VAL/2/Rev.1/Add.6
Estonia	G/VAL/N/1/EST/1	G/VAL/N/2/EST/1
Fiji	G/VAL/N/1/FJI/1	G/VAL/N/2/FJI/1
Gabon	G/VAL/N/1/GAB/1	
Hong Kong, China	VAL/1/Add.9 G/VAL/N/1/HKG/1	Not applicable
Hungary	VAL/1/Add.6 G/VAL/N/1/HUN/1	VAL/2/Rev.1/Add.4
Iceland	G/VAL/N/1/ISL/1	G/VAL/N/2/ISL/1
Israel	G/VAL/N/1/ISR/1	
India	VAL/1/Add.24 + Suppl.1 G/VAL/N/1/IND/2	VAL/2/Rev.2/Add.6
Japan	VAL/1/Add.7 G/VAL/N/1/JPN/1	VAL/2/Rev.1/Add.8 G/VAL/N/2/JPN/1
Jordan	G/VAL/N/1/JOR/1	G/VAL/N/2/JOR/1
Korea, Rep.of	VAL/1/Add.19 + Suppl.1-4	VAL/2/Rev.2/Add.1

¹ Documents beginning with "VAL" are documents issued under the Tokyo Round Committee on Customs Valuation

	+ Suppl.2/Corr.1-2 + Suppl.3/Corr.1	+ Suppl.1
	G/VAL/N/1/KOR/1	
Kyrgyz Rep.	G/VAL/N/1/KGZ/1	G/VAL/N/2/KGZ/1
Latvia	G/VAL/N/1/LVA/1	G/VAL/N/2/LVA/1
Lesotho	VAL/1/Add.21 + Suppl.1	VAL/2/Rev.2/Add.2
Liechtenstein	G/VAL/N/1/LIE/1	
Macau	G/VAL/N/1/MAC/1	
Malawi	VAL/1/Add.27	
	G/VAL/N/1/MWI/1	
Malta	G/VAL/N/1MLT/1	G/VAL/N/2MLT/1
Mexico	VAL/1/Add.25 + Suppl.1-3 + Suppl.1/Rev.1	VAL/2/Rev.2/Add.8
Morocco	G/VAL/N/1/MAR/1and Rev.1	G/VAL/N/2/MAR/1
Namibia	G/VAL/N/1/NAM/1	
New Zealand	VAL/1/Add.12 + Suppl.1	VAL/2/Rev.1/Add.10
	G/VAL/N/1/NZL/1	
Norway	VAL/1/Add.11 + Corr.1 + Suppl.1-2	VAL/2/Rev.1/Add.7
	G/VAL/N/1/NOR/1	
Panama	G/VAL/N/1/PAN/1	G/VAL/N/2/PAN/1
Poland	VAL/1/Add.28	G/VAL/N/2/POL/1
	G/VAL/N/1POL/1	
	G/VAL/N/1/POL/2	
Romania	VAL/1/Add.8 + Suppl.1-2	VAL/2/Rev.1/Add.9
	G/VAL/N/1/ROM/1	
	G/VAL/N/1/ROM/2	
Slovak Rep.	VAL/1/Add.18 + Suppl.1/ Corr.1-2	VAL/2/Rev.1/Add.15 + Suppl.1
	G/VAL/N/1/SVK/1	
Slovenia	G/VAL/N/1/SVN/1	G/VAL/N/2/SVN/1
	G/VAL/N/1SVN/2	
Singapore	G/VAL/N/1/SGP/1	G/VAL/N/2/SGP/1
South Africa	VAL/1/Add.15 + Corr.1 + Suppl.1-3	VAL/2/Rev.1/Add.13
	G/VAL/N/1/ZAF	
Suriname	G/VAL/N/1/SUR/1	
Switzerland	VAL/1/Add.5	Not applicable
	G/VAL/N/1/CHE/1	
Trinidad and Tobago	G/VAL/N/1/TTO/1	G/VAL/N/2/TTO/1
Turkey	VAL/1/Add.29	
	G/VAL/N/1/TUR/1	
	G/VAL/N/1/TUR/2	
United States	VAL/1/Add.1 + Suppl.1-5	VAL/2/Rev.1/Add.1
	G/VAL/N/1/USA/1	
Zambia	G/VAL/N/1/ZMB/1	
Zimbabwe	VAL/1/Add.23	VAL/2/Rev.2/Add.5
	G/VAL/N/1/ZWE/1	