

WORLD TRADE ORGANIZATION

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27 September 2000

(00-3894)

Committee on Customs Valuation

Original: Spanish

NOTIFICATION UNDER ARTICLE 22 OF THE AGREEMENT ON IMPLEMENTATION OF ARTICLE VII OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994

COSTA RICA

The following communication, dated 20 September 2000, has been received from the Permanent Mission of Costa Rica.

Pursuant to Article 22 of the Agreement on Implementation of Article VII of the GATT 1994 (Customs Valuation Agreement) and in compliance with the Decision on Notification and Circulation adopted by the Committee on Customs Valuation on 12 May 1995 (G/VAL/5) I have the honour of notifying to the Committee on Customs Valuation Costa Rica's Law No. 8013, published in Special Section No. 57-A of the Official Journal "La Gaceta" of 5 September 2000. With the promulgation of this Law, Costa Rica has complied with its commitment to put the Agreement on Implementation of Article VII of the GATT 1994 into effect. Attached hereto is a copy of the mentioned legislation.

No. 8013

THE LEGISLATIVE ASSEMBLY OF THE REPUBLIC OF COSTA RICA

**HEREBY DECREES:
ADDITION OF A NEW TITLE XII, "CUSTOMS VALUE OF IMPORTED GOODS",
TO THE GENERAL CUSTOMS LAW No. 7557
AND ITS AMENDMENTS**

ARTICLE 1: A new Title XII, "Customs Value of Imported Goods", is hereby added to the General Customs Law No. 7557 of 20 October 1995 and its amendments. The numbering shall be adjusted accordingly, and the text shall read as follows:

"TITLE XII

CUSTOMS VALUE OF IMPORTED GOODS

Article 251: Regulations applicable to customs valuation

When determining the customs value of imported goods, whether or not they are exempt or free from customs duties or other import taxes, Costa Rica shall be governed by the provisions of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, as well as those of this Title and of applicable national and international regulations.

Article 252: Reversal of the order of application of the valuation methods governed by Articles 5 and 6 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994

The reversal of the order of application of the valuation methods established in Articles 5 and 6 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, as provided for in Article 4, shall apply only when the customs authorities agree to the request of the importer to that effect.

Article 253: Use of the unit price of goods sold after further processing

The valuation method provided for in the second paragraph of Article 5 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 may be implemented in accordance with the provisions of the relevant interpretative note thereto, whether or not the importer so requests.

Article 254: Inclusion in the customs value of the costs and charges specified in Article 8.2 of the Agreement on Implementation of Article VII of the GATT 1994

In addition to the items referred to in Article 8.1 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, the following shall also form part of the customs value:

- (a) the cost of transport of the imported goods to the port or place of importation;
- (b) loading, unloading and handling charges associated with the transport of the imported goods to the port or place of importation; and

- (c) the cost of insurance.

If any of the items listed in indents (a), (b) and (c) above are free of charge or carried out by the importer's own means or services, their value shall be calculated in accordance with the tariffs normally applicable.

Article 255: Port or place of entry

For the purposes of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, "port or place of importation" shall be understood to mean the first port or place of arrival of goods in the customs territory of the importing country.

Article 256: Treatment of interest charges

Charges for interest under a financing agreement entered into by the buyer and relating to the purchase of imported goods shall not be regarded as part of the customs value provided that:

- (a) the charges are distinguished from the price actually paid or payable for the goods;
- (b) the financing arrangement was made in writing;
- (c) where required, the buyer can demonstrate that:
 - (i) such goods are actually sold at the price declared as the price actually paid or payable;
 - (ii) the claimed rate of interest does not exceed the level for such transactions prevailing in the country where, and at the time when, the finance was provided.

The provisions of this article shall apply if the buyer, or banking institution or another natural or legal person provides the financing. It shall also apply, if appropriate, where goods are valued under a method other than the transaction value.

Article 257: Currency conversion

Where the conversion of a currency is necessary for the determination of the customs value in accordance with Article 9 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, the rate applied shall be the reference exchange rate provided by the Central Bank in effect on the date of acceptance of the customs declaration, in accordance with Article 20 of the Convention on the Central American Tariff and Customs Regime.

The conversion rate applied shall be the selling rate for the foreign currency being converted into local currency.

Article 258: Relationship

For the purposes of Article 15.4(h) of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, persons shall only be deemed members of the same family if they are related to each other in any of the following ways:

- (a) they are spouses;

- (b) they are first-degree lineal ascendants or descendants;
- (c) they are brothers and sisters;
- (d) they are uncle or aunt, or nephew or niece;
- (e) they are parent-in-law, or son-in-law or daughter-in-law;
- (f) they are brother-in-law and sister-in-law.

Article 259: Implementation of Article 20.2 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994

In accordance with Article 20.2 of the Agreement Implementation of Article VII of the General Agreement on Tariffs and Trade 1994, the Executive shall postpone the application of Article 1.2(b)(iii) and Article 6, both relating to the determination of customs value on the basis of a constructed value, for a period not exceeding three years starting on 1 January 2000.

The Executive shall formally notify the Director-General of the World Trade Organization in this respect.

Article 260: Withdrawal of goods under a guarantee

If in the course of determining the customs value of imported goods it is necessary to delay the final determination of that value, importers shall nevertheless be able to withdraw their goods from customs if, where so required, they provide a sufficient guarantee covering the ultimate payment of customs duties for which the goods may be liable.

Article 65 of the General Customs Law shall be respected when applying this rule.

Article 261: Doubts on the part of the Customs Administration concerning the truth or accuracy of the declared value

When a declaration has been presented and where the customs authority has reason to doubt the truth or accuracy of the particulars or of documents produced in support of that declaration, the customs authority may ask the importer to provide further explanation, including documents or other evidence that the declared value represents the total amount actually paid or payable for the imported goods, adjusted in accordance with Article 8 of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994. If, in the absence of a response, or after receiving further information, the customs authority still has reasonable doubts about the truth or accuracy of the declared value, it may, based on the provisions of Article 11 of the said Agreement, decide that the customs value of the imported goods cannot be determined under the provisions of Article 1 of the Agreement. Before taking a final decision, the customs authority shall communicate to the importer, in writing, its reasons for questioning the truth or accuracy of the particulars or of documents produced and shall give the importer a reasonable opportunity to reply. When a final decision is made, a customs authority shall communicate that decision to the importer in writing, indicating the grounds on which it is based.

The importer may withdraw the goods upon request, subject to the provision of the guarantee provided for in Article 260 above. In that case, the importer shall be notified that the customs value determined is not final, but provisional, pending a final decision by the customs authority.

The procedure for implementing the provisions of this Article and related legislation shall be governed by regulations. For the mentioned communications and notifications, electronic means may be used provided due process is observed and users and the administration are ensured both security and certainty.

Article 262: Deadline for requesting an explanation and deadline for replies

For the purposes of Article 16 of the Agreement, the importer may, within a period of ten working days following the date of acceptance of the customs declaration, ask the customs authority for an explanation of the method used for determining the customs value of the goods. The customs authority shall be obliged to reply, in writing or electronically, within a period of ten working days.

Article 263: Declaration of customs value of goods

For the purposes of implementing this Title, the importation of goods must be covered by a declaration of the customs value of the goods. The Directorate-General of Customs shall determine, through regulations, the goods imports that will be exempted from this requirement.

Article 264: Responsibility for the information in the declaration of the customs value of the goods at customs

The importer shall sign a sworn declaration of the customs value of the goods and shall also be responsible for the accuracy of the elements contained therein, as well as the authenticity of the supporting documentation, and shall provide the information or documents needed to verify the correct determination of the customs value. The said declaration may only be signed by the legal representative of a legal person and by the importer himself in the case of natural persons.

The value declared to customs shall always be determined by the importer himself.

The declaration of the customs value of the goods shall be transmitted electronically using the media authorised by the customs authority.

Article 265: The term 'customs value' of imported goods

Reference to 'customs value' in any article of this Law shall be understood as customs value of goods' in accordance with the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994."

ARTICLE 2: Revocation

Note 6 of Part 732-01 of Law no 1738 of 31 March 1954 and amendments thereto are hereby revoked.

Transitional Article I

Goods declarations which, on entry into force of this Title, have already been accepted, shall be processed pursuant to the provisions in force at the date of acceptance.

Transitional Article II

The Directorate-General of Customs shall have a period of one year following the entry into force of this Law to ensure that the electronic transmission of the declaration of the customs value of goods is in operation. In the meantime, the Directorate General shall provide, through a general decision, for other means of submitting the said declaration.

These provisions shall take effect as from the date of their publication.

Herewith communicated to the Executive

Legislative Assembly: San José, on the tenth day of the month of August in the year 2000.
Jorge Eduardo Sánchez Sibaja, Vice President and acting President. Emanuel Ajoy Chan,
First-Secretary. Everardo Rodríguez Bastos, Second-Secretary.

Office of the President of the Republic. San José, on the eighteenth day of the month
of August in the year 2000.

For execution and publication

MIGUEL ANGEL RODRIGUEZ ECHEVERRIA. The Minister for Finance,
Leonel Baruch Goldberg. 1st instance (application No. 35327). C-45600. (57297).
