

WORLD TRADE ORGANIZATION

RESTRICTED

G/VAL/W/18

26 May 1997

(97-2192)

Committee on Customs Valuation

Original: English

PROPOSAL FROM THE UNITED STATES ON TECHNICAL ASSISTANCE IN CUSTOMS VALUATION - THE NEED FOR A COOPERATIVE APPROACH

The following communication, which was circulated informally at the meeting of the Committee on Customs Valuation on 24 April 1997, has been received from the Permanent Mission of the United States.

In the past year, we have conducted informal consultations concerning valuation with many developing country members who have delayed application of the provisions of this Agreement pursuant to Article 20. It is apparent that the technical assistance requirements related to preparing for implementation of the Agreement are often unique for each of these developing country Members, being quite dependent upon legal and structural factors that vary from Member to Member.

In this regard, we have also consulted informally with several developed country WTO Members that provide technical assistance related to implementation of the Valuation Agreement. This has brought about discussions related to the need to avoid redundancy, to bring about better cohesion of technical assistance efforts, and to ensure full effectiveness of such technical assistance as it relates to implementation of the Agreement.

It is clear that the WTO Committee on Customs Valuation must begin to give attention to the matter of technical assistance, working collectively, on mutually agreed terms, to ensure a certain cohesion and effectiveness to the operation of Article 20 of the Agreement.

The role of the WTO Committee on Customs Valuation

It must be stressed that this is not a technical issue; rather, it is a matter related to the successful operation of a WTO Agreement and the furtherance of its objectives. Most important, it is a matter involving WTO obligations.

There is no suggestion that the WTO Committee itself become involved in the actual conducting of technical assistance programs. Instead, we observe that it is the responsibility of the WTO Committee to provide the necessary leadership and to engage in cooperative efforts to achieve the objectives of this Agreement - which include a simple, equitable, and most of all, uniform implementation of valuation procedures. Working together in this fashion will ensure that the expertise represented by the CCC's Technical Committee will best assist us in meeting our objectives under the Agreement.

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The important role of effective technical expertise

There are four fundamental elements that need to be addressed in the context of developing and providing technical assistance related to implementation of the Customs Valuation Agreement: (1) the level of understanding of the provisions of the Agreement; (2) the statutory or regulatory framework related to procedures and documentary requirements; (3) the administrative organizational structure; and (4) the existence of effective administrative verification procedures, utilizing "good customs practices." It is within the scope of these four basic elements that the situations and level of expertise and development vary from Member to Member.

For each of these elements, though, there is extensive technical expertise available, residing not only under the auspices of the Technical Committee at the CCC, but also within individual developed country Members and under the umbrella of some regional arrangements.

Assessment of individual needs as a first step

In order to ensure the most efficient and effective use of technical assistance, the first step must be an assessment of these four elements, based on the needs of the recipient. This can best be done cooperatively, through means such as a questionnaire or even an "on-site" assessment with experts working together in the Member seeking technical assistance. Based on this cooperative determination of needs, it can then be determined as to the most efficient and effective method to provide and utilize the appropriate technical assistance, whether delivered through the expertise represented by the Technical Committee at the CCC, on a regional basis, or through an individual developed country Member.

A method to proceed

The United States proposes:

- The WTO Committee on Customs Valuation establish an informal work group, to further develop the appropriate course of action, functioning as an informal policy steering group on technical assistance efforts related to implementation of the Agreement.
- In conjunction with the establishment of the informal work group, the Chairman should conduct informal consultations with both developed and developing country Members as to the most efficient way to proceed cooperatively in bringing cohesion and efficiency to technical assistance efforts.
- The WTO Committee on Customs Valuation request the Technical Committee at the CCC to prepare, before the next meeting of the WTO Committee, the technical aspects of an efficient methodology for assessing the individual needs of developing country Members with regard to technical assistance in preparing for implementation of the Agreement's provisions.