

Chairpersons of the Uruguay Round Technical Committee on Customs Valuation

1995 - 1997	Mr P. R. V. Ramanan, India	(1 st - 4 th Session)*
1997 - 2000	Dr Horacio Vicente, Argentina	(5 th - 10 th Session)
2000 - 2003	Ms Virginia Brown, United States	(11 th - 16 th Session)
2003 - 2005	Ms Hakima Azizi, Morocco	(17 th - 20 th Session)
2005 - 2008	Mr Ian Cremer, United Kingdom	(21 st - 27 th Session)
2008 - to date	Mr Guzman Manes, Uruguay	(28 th Session - to date)

* substituted by Mr Mervin Kemp, Vice Chair (New Zealand) at the 4th Session

WCO Directors of Valuation

Valuation Directorate

T.G. Edmond-Smith	United Kingdom	1953 - 1960
J.E. Barrell	United Kingdom	1960 - 1975
E.A. Bosch	Netherlands	1975 - 1981
J.B. O'Loughlin	United States	1981 - 1985
K. Doua-Bi	Côte d'Ivoire	1986 - 1990
J.M. Siegrist	Canada	1990 - 1991 (Acting)
J.M. Siegrist	Canada	1991 - 1997

Tariff & Trade Affairs Directorate

(Valuation Directorate merged with Nomenclature and Origin in 1998)

I. Kusahara	Japan	1994 - 1998
H. Kappler	United States	1999 - 2003
C. Mwansa	Zambia	2004 - 2007
A. Manga	Cameroon	2008 - to date



Delegates attending the Valuation Technical Committee at WCO Headquarters

This interesting article appeared in the October 1992 edition of CCC News...

Spirit of GATT Art. VII already in the "Artha-sastra"

Valuation often causes considerable headaches for both Customs and traders. GATT Article VII therefore prescribes that the value for customs purposes of imported merchandise should be based on the actual value of the imported merchandise. It further defines "actual value" as the price at which, at a time and place determined by the legislation of the country of importation, such or like merchandise is sold or offered for sale in the ordinary course of trade under fully competitive conditions.

It is interesting to note that the spirit of GATT Article VII is already found in the Indian classic treaties on policy, the "Artha-sastra". The treaties were written by Canka

(or Kautilya) who was educated in Taxila (now in Pakistan) and became the counsellor to the Indian King Candragupta (reigned 321 – 397 B.C.).

From the relevant passage in the "Artha-sastra" we can see clearly how Customs valuation was conducted in India in ancient times.

"The merchandise being placed near the flag of the toll-house, the merchants shall declare its quantity and price, cry out thrice, "Who will purchase this quantity of merchandise for this price?" and hand over the same to those who demand it for that price. When purchasers happen to bid for it, the enhanced amount of the price together with the toll on the merchandise shall be paid into the King's treasury. When, under the fear of having to pay a heavy toll, the quantity or the price of merchandise is lowered, the excess shall be taken by the King, or the merchants shall be made to pay eight times the toll."

The Indian valuation practice described in the "Artha-sastra" of 2,000 years ago was based on a real actual value and would hence seem to be in conformity with the spirit of Article VII of the GATT.



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WORLD CUSTOMS ORGANIZATION

*"Looking back,
looking forward"*



This 30th Anniversary will be celebrated during the Session of the Technical Committee on Customs Valuation at WCO Headquarters on Tuesday, 13 April 2010

The WCO over the years

Avenue Louise, 183 (1)(2)
Rue Washington, 40 (3)
Rue de l'Industrie, 26-38 (4)
Rue du Marché, 30 (5)



The Valuation Agreement turns 30!

What is "value"?

"Value" is defined by the Concise Oxford Dictionary as "... worth, desirability; purchasing power; equivalent of a thing... which may be substituted or exchanged for a thing...".

The French Language Dictionary, Petit Robert, defines "value" as "... désiré; avec caractère mesurable; qualité d'une chose; valeur intrinsèque; utilité objective ou subjective; jugements de valeur; demande; mesure d'une grandeur variable...".

The essential ingredients which give a "good" or "object" its value are desire; need; choice; availability and means.

What is Customs valuation?

Customs is responsible for ensuring compliance with trade regulations and collecting duties and taxes on imported goods at the border. Customs duties may be either specific or ad valorem, or sometimes a combination of the two. In the majority of cases they will be ad valorem duties, based on the value of the goods. In order to calculate the amount of duty payable on an imported good, a duty rate – for example, 3% - is applied to the Customs value.

It is therefore essential to determine the value of a good in order to establish the amount of the duties payable.

In the aftermath of the 2nd World War, the idea emerged naturally to develop a uniform, standardized system world-wide, in order to revitalize trade and liberalize it by reducing tariff barriers and doing away with quantitative and qualitative trade restrictions.

A Brief Timeline of Customs Valuation

1947

A set of general principles for Customs valuation is agreed at the United Nations Conference on Trade and Employment in Geneva. These principles were embodied in Article VII of the General Agreement on Tariffs and Trade (GATT).

1949

A European Customs Study Group, formed in Brussels, drafts a definition of value for use within a Customs Union framework based on the principles set out in Article VII.

15 December 1950

The definition, known as the Brussels Definition of Value (BDV), is signed in Brussels. It was based on "the price that a good would fetch in an open market between a buyer and seller independent of each other".

28 July 1953

The BDV enters into effect.

3 to 12 November 1953

First Session of the BDV "Valuation Committee".

1973 to 1979

The Tokyo Round GATT Multilateral Trade Negotiations take place in Geneva and aim "to achieve the expansion and ever-greater liberalisation of world trade, inter alia, through the progressive dismantling of obstacles to trade".



29 September 1980 - Delegates to the familiarization Seminar on the new GATT Valuation Agreement held in the Council's Headquarters, Rue de l'Industrie in Brussels

12 April 1979

Signature in Geneva of the "Agreement on the Implementation of Article VII of the General Agreement on Tariffs and Trade", commonly known as the GATT Valuation Code. It was based on the "price actually paid or payable" for the imported goods, rather than arbitrary or fictitious values.

1 January 1981

GATT Valuation Code comes into effect with 25 contracting parties.

9 to 13 March 1981

The "Tokyo Round" Technical Committee on Customs Valuation meets for the first time with 120 participants.

18 to 20 March 1991

On the occasion of the 10th anniversary of the GATT Valuation Agreement, an International Conference is held at the Customs Cooperation Council (CCC) headquarters.



Mark Siegrist (left), Secretariat officials and participants in the International Valuation Conference at CCC Headquarters, Rue de l'Industrie, Brussels

1986 to 1994

The Uruguay Round of Multilateral Trade Negotiations take place.

15 April 1994

After completion of the Uruguay Round, the "Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994" is signed at Marrakech (Morocco).

1 January 1995

The World Trade Organization (WTO) is created with the requirement that all signatories to the WTO will accept all GATT instruments, including the WTO Valuation Agreement, as it then became known.

2 to 6 October 1995

The "Tokyo Round" Technical Committee on Customs Valuation (comprising 44 members) is formally terminated and the "Uruguay Round" Technical Committee on Customs Valuation (comprising 109 members) holds its first Session.



Valuation Technical Committee Session (2006) chaired by Mr. Ian Cremer (UK) with on his right the WCO Tariff and Trade Affairs Director, Mr. Chriticles Mwanza and on his left the Valuation Deputy Director, Aziz El Kassimy

1995 to 2010

By Spring 2010, 153 countries have become WTO Members and therefore assumed the obligation to implement the Valuation Agreement. A number of other countries have chosen voluntarily to adopt the Agreement as the basis for determining Customs value.

13 April 2010

The 30th anniversary of the Agreement is celebrated during the 30th Session of the "Uruguay Round" Technical Committee on Customs Valuation.