



# **WCO-ADB Joint Sub-Regional Train-the-Trainer Workshop on Customs Valuation**

**3-7 February 2014,  
Colombo, Sri Lanka**



# The Principle of the WTO Valuation Agreement

## Article VII of GATT

- (i) Should be based on the actual value of merchandise;
- (ii) Should not be based on the value of merchandise of national origin or on arbitrary or fictitious values;
- (iii) Should be the price at which such or like merchandise is sold in the ordinary course of trade under fully competitive conditions.

- 1947 – U.N. CONFERENCE ON TRADE & EMPLOYMENT
- 1947 – G.A.T.T./EUROPEAN CUSTOMS STUDY GROUP
- 1953 – BRUSSELS DEFINITION OF VALUE
- 1973 ~ 1979 – TOKYO ROUND (*GATT VALUATION CODE*)
- 1986 ~ 1993 – URUGUAY ROUND (*WTO VALUATION AGREEMENT*)

# GENERAL INTRODUCTORY COMMENTARY

**PART I** - Rules on customs valuation (Articles 1-17)

**PART II** - Administration, consultations & dispute settlement (Articles 18 & 19)

**PART III** - Special & differential treatment (Article 20)

**PART IV** - Final provisions (Articles 21-24)

**ANNEX I - INTERPRETATIVE NOTES**  
*General Note / Notes to Articles*

**ANNEX II - TECHNICAL COMMITTEE ON  
CUSTOMS VALUATION**

**ANNEX III - DEROGATIONS FOR DEVELOPING  
COUNTRIES**

# INTRODUCTORY COMMENTARY

“Transaction value”

“Price actually paid or payable”

Alternate Methods

## Preamble

- Greater uniformity and certainty
- A fair, uniform and neutral system
- Precludes the use of arbitrary or fictitious customs values
- The basis for valuation should, to the greatest extent possible, be the transaction value
- Simple and equitable criteria consistent with commercial practices
- Valuation procedures should not be used to combat dumping

# **Methods of Valuation**

**Article 1** - Transaction value method.

**Article 2** - Transaction value of identical goods.

**Article 3** - Transaction value of similar goods.

**Article 4** - Application of Articles 5 and 6.

**Article 5** - Deductive value method.

**Article 6** - Computed value method.

**Article 7** - Fallback method

**Article 8** - Additional elements to be added to the transaction value.



## **Articles 9 - 17**

**Article 9** - Currency conversion

**Article 10** - Confidentiality

**Article 11** - Importers right to appeal without penalty.

**Article 12** - Obligation to publish laws.

**Article 13** - Obligation to provide a guarantee system.

**Article 14** - Refers to Annex I Notes, Annexes II and III.

**Article 15** - Defines certain words and terms.

**Article 16** - Right of importers to written explanation.

**Article 17** - Rights of customs administrations.

## **Articles 18 - 24**

**Article 18** - WTO Valuation Committee and WCO Technical Committee on Customs Valuation.

**Article 19** - Consultations and disputes.

**Article 20** - Special provisions available to developing countries.

**Article 21** - Reservations.

**Article 22** - Obligations regarding national legislation.

**Article 23** - Review of implementation and operation of the Agreement by WTO Valuation Committee.

**Article 24** - Responsibilities of WTO and WCO Secretariats.



**Committee on  
Customs Valuation**



**The Agreement**



**Technical Committee on  
Customs Valuation**