

**INFORMATION ON IMPLEMENTATION AND ADMINISTRATION OF THE
AGREEMENT ON CUSTOMS VALUATION**

Checklist of Issues

LITHUANIA

The following communication, dated 7 February 2002, has been received from the Permanent Mission of Lithuania.

In accordance with the Decision of the Committee on Customs Valuation of 12 May 1995, the Permanent Mission of Lithuania has the honour to notify the Committee of the responses to the questions in the checklist of issues.

Introduction

The provisions of the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994 (hereinafter referred to as "the Agreement") have been incorporated into the Customs Code of the Republic of Lithuania (Chapter VI "Customs Valuation of Goods", Articles 29-37, and Chapter XXII "Appeals", Articles 226-233, hereinafter referred to as "the Code") and into the Order of Customs Valuation of Goods approved by the Government Resolution No. 748 of 9 June 1999 as amended by the Government Resolution No. 1224 of 16 October 2001 (hereinafter referred to as "the Order").

1. Questions concerning Article 1.

(a) Sales between related persons:

(i) *Are sales between related persons subject to special provisions?*

Not automatically. See paragraphs 1 (4), 2 to 5 and 8 of Article 30 of the Code and paragraphs 7.1 and 7.2 of the Order.

(ii) *Is the fact of intercompany prices prima facie considered as grounds for regarding the respective prices as being influenced?*

Yes. See paragraph 8 of Article 30 of the Code.

(iii) *What is the provision for giving the communication of the afore-mentioned grounds in writing if the importer so requests? (Article 1.2(a))*

See paragraph 2 of Article 30 of the Code.

(iv) *How has Article 1.2(b) been implemented?*

See paragraph 5 of Article 30 of the Code.

(b) Price of lost or damaged goods:

Are there any special provisions or practical arrangements concerning the valuation of lost or damaged goods?

The provisions concerning the valuation of damaged cars are laid down in paragraphs 13 to 18 of the Methodics of the Customs Valuation of Used Cars approved by the Order of Director of the Customs Department under the Ministry of Finance No. 566 of 29 December 2000. There are no other special provisions or any other arrangements concerning the valuation of lost goods or damaged goods of other kinds.

2. How has the provision of Article 4 to allow the importer an option to reverse the order of application of Articles 5 and 6 been implemented?

See paragraph 1 of Article 31 of the Code.

3. How has Article 5.2 been implemented?

See paragraph 22 of the Order.

4. How has Article 6.2 been implemented?

See paragraph 24.1 of the Order.

5. Questions concerning Article 7.

(a) What provisions have been made for making value determinations pursuant to Article 7?

Paragraph 1 of Article 32 of the Code and paragraph 25 of the Order.

(b) What is the provision for informing the importer of the customs value determined under Article 7?

Article 5 of the Code and paragraph 59 of the Order.

(c) Are the prohibitions found in Article 7.2 delineated?

Yes. See paragraph 2 of Article 32 of the Code.

6. How have the options found in Article 8.2 been handled? In the case of f.o.b. application, are ex-factory prices accepted?

See paragraph 1(5) of Article 33 of the Code and paragraphs 38 to 43 of the Order.

7. Where is the rate of exchange published, as required by Article 9.1?

The rate of exchange, which is used for customs valuation purposes, is established according to the paragraphs 48 to 50 of the Order on the basis of exchange rate of Lithuanian Litas and foreign currency established by Lithuanian National Bank. This exchange rate is established by Lithuanian National Bank according to the Order on Establishment of Exchange Rates of Litas and Foreign Currencies approved by the Resolution of the Board of Lithuanian National Bank No. 109 of 4 June 1998. The Lithuanian National Bank establishes the exchange rate for the currencies, which are most important for Lithuanian economic entities, every working day, and for the currencies, which are important for Lithuanian economic entities, on a weekly basis. The rates thus established are submitted by the Lithuanian National Bank to competent national authorities, all commercial banks, media, *Reuters*, *Bloomberg* and *Dow Jones Telerate* information systems. On every working day the exchange rates established by the Lithuanian National Bank are published in daily newspapers. The rate of exchange, which is used for customs valuation purposes, is reviewed on the weekly basis and available on the Internet homepage of the Customs Department under the Ministry of Finance.

8. What steps have been taken to ensure confidentiality, as required by Article 10?

Provision of confidentiality has been made in Article 8 of the Code.

9. Questions concerning Article 11:

- (a) What rights of appeal are open to the importer or any other person?

The importer has the right to appeal to the territorial Customs house, to the Customs Department under the Ministry of Finance and to the court (see Chapter XXII "Appeals", Articles 226 to 233 of the Code and the reference to those provisions in paragraph 60 of the Order).

- (b) How is he to be informed of his right to further appeal?

Paragraph 3 of Article 4 of the Code stipulates that the decisions adopted by the Customs authorities in writing, which either reject the requests of persons concerned or are detrimental to them shall refer to the right of appeal provided for in Article 226 of the Code.

10. Provide information on the publication, as required by Article 12, of:

- (a)

- (i) *the relevant national laws;*

According to the Law on the Order of Publishing and Entry into Force of Legal Acts of 6 April 1993 the relevant national laws shall be officially published in the Official Gazette. Having been published in the Official Gazette, laws and other legal acts enter into force on the following day, or on a later date stipulated in the published law or another legal act.

- (ii) *the regulations concerning the application of the Agreement;*

The regulations shall be officially published in the Official Gazette as well.

- (iii) *the judicial decision and administrative rulings of general application relating to the Agreement;*

The judicial decisions and administrative rulings of general application shall be officially published in the Official Gazette as well.

- (iv) *general or specific laws being referred to in the rules of implementation or application.*

General or specific laws shall be officially published in the Official Gazette.

- (b) Is the publication of further rules anticipated? Which topics would they cover?

It is anticipated that the Law on amendment of the Code and corresponding amendment of the Order shall be published in the near future. Those legal acts shall govern more precisely the determination of time periods, which according to the Agreement are the periods when the goods are treated as “imported or sold at or about the time of importation of the goods being valued”, and the order of publishing exchange rate, which is used for customs valuation purposes. Another legal acts, which are expected to be adopted and published in the near future, are the Government Resolution on the simplified valuation procedure of perishable goods usually delivered on consignment (referred to in paragraph 2 of Article 37 of the Code) and the new version of Methodics of the Customs Valuation of Used Cars containing provisions concerning the use of catalogue prices for the valuation of used cars.

11. Questions concerning Article 13:

- (a) How is the obligation of Article 13 (last sentence) being dealt with in the respective legislation?

See paragraph 2.2 and paragraph 59 of the Order.

- (b) Have additional explanations been laid down?

The Instruction on Customs Formalities Related to the Use of Single Document (Customs Declaration) approved by the Order of Director of the Customs Department No. 94 of 27 March 2000 stipulates how the Customs declaration shall be endorsed when the final determination of customs value is delayed and a guarantee is provided by the importer in order to get the goods in question released by the Customs authorities.

12. Questions concerning Article 16:

- (a) Does the respective national legislation contain a provision requiring customs authorities to give an explanation in writing as to how the customs value was determined?

See paragraph 3 of Article 4 and Article 5 of the Code.

- (b) Are there any further regulations concerning an above-mentioned request?

See paragraph 59 of the Order.

13. How have the Interpretative Notes of the Agreement been included?

The main part of Interpretative Notes of the Agreement is incorporated into the Order. The remaining part of Interpretative Notes (paragraph 2 of the Note concerning the use of generally accepted accounting principles, paragraph 5 of the Notes to Article 3, paragraphs 2, 3 and 4 of the Notes to Article 5, paragraph 4 of the Notes to paragraph 1(b)(ii) of Article 8, the Note to paragraph 3 of Article 8) where examples of application of certain provisions of the Agreement have been

provided are incorporated into the Methodics of Application of Certain Provisions of the Order of Customs Valuation of Goods approved by the Order of Director of the Customs Department No. 395 of 25 September 2000.

14. How have the provisions of the Decision on the Treatment of Interest Charges in the Customs Value of Imported Goods been implemented?

See sub-paragraph 3 of Article 34 of the Code and paragraph 45 of the Order.

15. For those countries applying paragraph 2 of the Decision on the Valuation of Carrier Media Bearing Software for Data Processing Equipment, how have the provisions of this paragraph been implemented?

See Article 35 of the Code, paragraph 47 of the Order and the Order of Establishment of Customs Value of Imported Carrier Media Bearing Data and Software for Automated Data Processing Equipment approved by the Order of Director of the Customs No. 235 of 23 October 1998.
