

**COMMUNICATION FROM SRI LANKA CONCERNING PARAGRAPH 1 OF
ANNEX III OF THE AGREEMENT ON IMPLEMENTATION
OF ARTICLE VII OF THE GENERAL AGREEMENT
ON TARIFFS AND TRADE 1994**

The following communication, dated 21 October 2002, has been received from the Permanent Mission of Sri Lanka.

The Government of Sri Lanka wishes to refer to the decision of 16 July 2002 contained in document G/VAL/46 whereby an extension was granted under the provisions of paragraph 1 of Annex III of the Agreement on Implementation of Article VII of 1994 (WTO/Customs Valuation Agreement) to extend its deadline on the application of provisions of that Agreement till 31 October 2002.

The Government of Sri Lanka wishes to inform the Committee on Customs Valuation that concerted efforts have been made by Sri Lanka to implement the work programme and progress has made in implementing the work programme.

However, as indicated in the communication G/VAL/W/99 of 25 April 2002, due to exceptional circumstances enumerated therein, Sri Lanka was unable to present the Bill amending the Customs Ordinance in the Parliament.

Although it was our expectation that the draft amendments of the Customs Ordinance to implement the WTO Customs Valuation Agreement could be presented to the Parliament by July/August, the Government of Sri Lanka was unable to do as expected, in July/August 2002. The same preoccupations of the Government including the peace process and other important bills taking precedence at Legal Draftmens' Department have delayed the submission of the amendments of the Customs Ordinance to the Parliament.

I have now been informed by the Department of Fiscal Policy and Economic Affairs of the Ministry of Finance under whose purview the Department of Customs ordinance comes which is responsible for presenting the bill in the Parliament that the Cabinet of Ministers met on 16 October 2002 has approved the final draft amendments to customs ordinance finalised by the Legal Draftman's Department and approved it to be gazetted in the Gazette of the Government of Sri Lanka and to be tabled in the Parliament.

Accordingly, the finalized draft amendments have been sent to the Government Printer to be published in the Government Gazette. Once the Customs Ordinance Amendments are gazetted, arrangements will be made to present the draft amendments in the Parliament as soon as possible, for enactment.

Therefore, it is our expectation that the draft amendments to the Customs Ordinance to implement the Customs Valuation Agreement will be presented by December 2002/January 2003.

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Hence, in view of the exceptional circumstances, in particular the unforeseen delay in legislative process, Sri Lanka would need at least **four months** extension till 28 February 2003 for the enabling legislation to be presented in Parliament and thereafter to prepare the required administration regulations and procedures under the enabling legislation.

Considering these exceptional circumstances, which are legitimate and justifiable, and taking into account the fact that the Government of Sri Lanka has taken meaningful steps to implement the work programme and commitment to implement the agreement as demonstrated by circulating the draft amendments with its communication dated 25 April contained in document G/VAL/W/99, the Government of Sri Lanka request that it be allowed to delay the application on the provisions of the WTO Agreement on Customs Valuation for a further period of four months, commencing 1st November 2002.

The request by Sri Lanka for an extension for the delayed application will not prejudice the rights and obligations of Sri Lanka under the WTO Agreement, in particular, the rights and obligations under the WTO Agreement on Customs Valuation. The Government of Sri Lanka also takes this opportunity to reassure her trading partners of its firm commitment to the multilateral trade system and to faithfully implement Article VII of the Agreement Tariffs and Trade (GATT) of 1994.
