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Committee on Customs Valuation

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**NOTIFICATION UNDER DECISION A.4 CONCERNING THE INTERPRETATION
OF THE AGREEMENT ON IMPLEMENTATION OF ARTICLE VII
OF THE GENERAL AGREEMENT ON TARIFFS AND TRADE 1994**

NOTIFICATION OF VALUATION OF CARRIER MEDIA

CHILE

The following communication, dated 7 February 2014, is being circulated at the request of the delegation of Chile.

With reference to the Decision of the Committee on Customs Valuation on the Valuation of Carrier Media Bearing Software for Data Processing Equipment, we hereby inform the Committee, in accordance with paragraph 3 of that Decision that the date of its application by Chile was 14 March 2006.

Pursuant to Decision 4.1 of the WTO Committee on Customs Valuation, the regulations governing the valuation of carrier media bearing software for data processing equipment are set forth in Chapter II, Subchapter II, No. 13 (Customs Valuation of Goods: Special Cases) of Exempt Resolution No. 1300, more specifically in the following subparagraphs:

- 13.1 In determining the customs value of imported carrier media bearing data or instructions, only the cost or value of the carrier medium itself shall be taken into account. The customs value shall not, therefore, include the cost or value of the software it contains, which shall be distinguished from the cost or value of the hardware.

The expression "carrier medium" shall be understood not to include integrated circuits, semi-conductors or similar devices or articles incorporating such circuits or devices. The expression "data or instructions" shall be understood not to include sound, cinematic or video recordings.

- 13.2 However, the above valuation standard shall not apply to "basic software", i.e. software that is essential to the functioning of a piece of data processing equipment, since the value of such software is included in the price of the computer, and for the purposes of customs valuation, is considered to be part of the one and the same good.
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