METHODS OF VALUATION AND DEFINITION OF ORIGIN

(Item 8(a) and (b) of the Ninth Session Agenda)

Report by Review Working Party II

1. The Technical Group on Customs Administration, which was appointed by Working Party II, was instructed to prepare factual studies of the replies to the secretariat questionnaire (L/228) on methods of valuation for customs purposes and on the comments received from governments on the draft definition of origin which the CONTRACTING PARTIES submitted to them at the Eighth Session.

2. The Technical Group's Report on Valuation (W.9/152 and Corr.1) is a study of the methods of determining value for customs duty purposes at present employed by contracting parties. The Working Party refers this Report to the CONTRACTING PARTIES considering that it will constitute a useful source of reference and a basis for further studies.

3. The second report submitted by the Technical Group (W.9/125 and Corr.1) gives the result of its examination of the comments of governments on the draft definition of origin. The comments reveal that the definition cannot be accepted as it stands. Some delegations suggested that the CONTRACTING PARTIES should undertake a further study of this question at the Tenth Session, but others considered that a further search for an acceptable text of a common definition would lead to no useful result. Members of the Working Party were almost evenly divided on this issue. A few members considered that no arrangements should be made at the present time for any further study, but considered that the question might be taken up on some future occasion if contracting parties or some other international organization should so request. The Working Party, therefore, decided not to forward any recommendation to the CONTRACTING PARTIES.

4. The CONTRACTING PARTIES may wish to consider whether these two reports should be derestricted forthwith.