1. The Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade entered into force on 1 January 1981. The following are Parties to the Agreement and members of the Committee established under it: Argentina, Austria, Brazil, Canada, European Economic Community, Finland, Hungary, India, Japan, Republic of Korea, New Zealand, Norway, Romania, Spain, Sweden, Switzerland, United Kingdom for Hong Kong, the United States and Yugoslavia. Of these, Austria, the European Economic Community, Finland, Hungary, Japan, New Zealand, Norway, Romania, Sweden, Switzerland, the United Kingdom for Hong Kong, the United States and Yugoslavia are applying the Agreement while the other countries have delayed the application of the Agreement under the provision of Article 21:1 or under a special reservation.

2. Twenty-four contracting parties and three non-contracting parties have observer status. In view of the special responsibilities and functions assigned to it under the Agreement, the Customs Co-operation Council has been accorded permanent observer status. Two other international organizations (IMF and UNCTAD) have attended the meetings of the Committee in an observer capacity.

3. During the reporting period the Committee has held two meetings:
   - 4-5 May 1982 - (VAL/M/4 and L/5320)
   - 10-11 November 1982 - (VAL/M/5 and L/5416)

4. During the period under review the Committee has continued the detailed examination of the national legislation submitted by the Parties. In addition, the Committee had a detailed discussion of the Canadian draft legislation.

   As of 11 November 1982, the following Parties submitted their legislation to the Committee:

   - United States : VAL/1/Add.1 and Suppl.1-3
   - European Economic Community : VAL/1/Add.2 and Suppl.1-3
   - Sweden : VAL/1/Add.3
   - Finland : VAL/1/Add.4 and Suppl.1-3
   - Switzerland : VAL/1/Add.5
   - Hungary : VAL/1/Add.6
   - Japan : VAL/1/Add.7

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1 Subject to ratification
Romania
Hong Kong
Austria
Norway
New Zealand
Yugoslavia

As of 11 November 1982, replies to the revised checklist of issues (VAL/2/Rev.l) have been submitted by the following delegations:

United States
Sweden
Austria
Hungary
Finland
European Economic Community
Norway
Japan
Romania
New Zealand

5. Proposals were submitted to the Committee concerning decisions whose purpose it is to clarify the treatment of interest charges for deferred payment in the customs value of imported goods (VAL/W/13) on the one hand and the valuation of computer software (VAL/W/14) on the other. These proposals on which the Committee had detailed discussions at both meetings will be further considered at the Committee's next meeting.

6. The Committee also discussed a proposal for an agreed interpretation of Article 8.1.b(iv) of the Agreement according to which the English word "undertaken" is to be understood as meaning "carried out"; no changes in the French or Spanish texts of the Agreement are necessary. The proposal will again be taken up at the Committee's next meeting.

7. The Committee had a preliminary exchange of views on procedures for amendments to the Agreement under Article 27.

8. Technical assistance has continued to remain on the agenda as an important item of the Committee's work. Delegations from developed country Parties reported on technical assistance extended and expressed their willingness to assist developing countries, whether signatories or not, also in the future.

9. The Committee had an exchange of views on the question of collecting additional and more detailed information relating to the use of valuation methods applied for all customs entries, including the volume of trade, on the basis of statistics collected by the Parties during an identical time period. This matter will be further considered by the Committee at a future meeting.
10. Detailed oral reports on the work undertaken and the progress made at the third and fourth sessions of the Technical Committee on Customs Valuation, operating under the auspices of the Customs Co-operation Council, were presented by its Chairman.

11. No action has been requested under the conciliation and dispute settlement procedures of the Agreement.

12. At its meeting in May 1982, the Committee agreed on the content of a note by the Chairman which was subsequently submitted to the Preparatory Committee as a contribution of the Committee to the Ministerial Meeting (VAL/3).

13. The Committee conducted its second annual review of the implementation and operation of the Agreement at its November 1982 meeting on the basis of a background document prepared by the secretariat (VAL/W/12). It concluded that no substantial difficulties had been encountered during the time of the application of the Agreement.