DRAFT

First Report of Working Party 5

VALUATION

Addendum 1

Footnote:

1.- India and Pakistan. Question of fixed values - see paragraph 7 of the Report.

2.- Indonesia. The "customs ordinance" provides for the application of fixed values under certain circumstances. Since World War II no such fixed values have been determined and it was stated that it is not likely that this will be the case in the near future.

3,4.- United States. Valuation on the basis of the American selling price is provided for a few products under the paragraphs 27 and 28 of section 336 of the Tariff Act of 1930.

5.- New Zealand. The customs value is based on the current domestic value in the country of exportation plus 10 per cent.

6.- United States. (Statement of the United States delegation to be inserted)

7.- United States. In practice in most cases the commercial rates of exchange certified daily by the Federal Reserve Bank of New York are used in the conversion of foreign currencies for customs purposes in the United States.

(Tariff Act of 1930, Section 522, Conversion of Currency)

(a) Value of Foreign Coin proclaimed by Secretary of Treasury. - Section 25 of the Act of 27 August, 1894, entitled "An Act to reduce taxation, to provide revenue for the Government, and for other purposes" as amended, is reenacted without change as follows:

"Sec. 25. That the value of foreign coin as expressed in the money of account of the United States shall be that of the pure metal of such coin of standard value; and the values of the standard coins in circulation of the various nations of the world shall be estimated quarterly by the Director of the Mint and be proclaimed by the Secretary of the Treasury quarterly on the 1st day of January, April, July and October in each year."
(b) **Proclaimed Value Basis of Conversion.** - For the purpose of the assessment and collection of duties upon merchandise imported into the United States on or after the day of the enactment of this Act, wherever it is necessary to convert foreign currency into currency of the United States, such conversion, except as provided in subdivision (c), shall be made at the values proclaimed by the Secretary of the Treasury under the provisions of Section 25 of such Act of 27 August 1894, as amended, for the quarter in which the merchandise was exported.

(c) **Market Rate when no Proclamation.** - If no such value has been proclaimed, or if the value so proclaimed varies by 5 per centum or more from a value measured by the buying rate in the New York market at noon the day of exportation, conversion shall be made of a value measured by such buying rate. If the date of exportation falls upon a Sunday or holiday then the buying rate at noon on the last preceding business day shall be used. For the purposes of this subdivision such buying rate shall be the buying rate for cable transfers payable in the foreign currency so to be converted; and shall be determined by the Federal Reserve Bank of New York and certified daily to the Secretary of the Treasury, who shall make it public at such times and to such extent as he deems necessary. In ascertaining such buying rate such Federal reserve bank may in its discretion (1) take into consideration the last ascertainable transactions and quotations, whether direct or through exchange of other currencies, and (2) if there is no market buying rate for such cable transfers, calculate such rate from actual transactions and quotations in demand or time bills of exchange.