GENERAL AGREEMENT ON
TARIFFS AND TRADE

Group on Valuation

DRAFT

1. Valuation systems should be neutral in their effect and in no case be used as a disguised means of providing additional protection by artificially increasing the values to which the rate of duty is to be applied.

2. Valuation systems should not be used to combat dumping.

BCV V
3. The system of valuation should protect the honest importer against unfair competition arising from undervaluation.

4. Valuation systems should be of general application without distinction as between sources of supply.

BCV
5. Dutiable value should be based on equitable and simple criteria which do not conflict unduly with commercial practice.

BCV VIII and VII mod.
6. The system of valuation should keep formalities to a minimum and should be based to the greatest possible degree on commercial documents.

BCV III
7. The system of valuation should not prevent the quick clearance of goods.

10(d)ii mod.
8. Full publicity should be given to valuation criteria (price, time, place, quantities, level of distribution, etc.) and to valuation procedures.

BCV IV mod.
9. The system of valuation should enable traders to estimate, in advance, with a reasonable degree of certainty, the value of their goods for customs purposes.

12(a) mod.
10. On the request of the importer (or exporter) the customs administration shall explain how the customs valuation has been calculated for his goods.
1. Consistent with Article X:3(b), each contracting party shall provide a procedure for appeal against valuation decisions of its customs authorities to an independent and impartial authority.

II

1. The value for customs purposes of imported merchandise is the "actual value", which is understood to be the price at which, at a time and place determined by the legislation of the country of importation, the merchandise imported or like merchandise is sold or would be sold to that country in the ordinary course of trade under fully competitive conditions.

— for c.i.f. countries, this price is understood as being for delivery at the place of introduction into the country of importation;

— for f.o.b. countries, this price is the f.o.b. price made in the exporting country for the country of importation.

2. In administering the foregoing, all countries undertake to restrict the use of the concept "like merchandise" to exceptional cases in which the actual value of the imported goods cannot be determined on the basis of the invoice price.

3. "Like merchandise" is understood to mean an identical product produced in the exporting country, i.e., similar in every respect to the product imported or, in the absence of such a product, another product which, although not similar in every respect, has characteristics closely resembling those of the imported product (same origin, same type, same quality, etc.).
2. When the actual value is not ascertainable in accordance with Article VII, paragraph 2(b), the nearest ascertainable equivalent within the meaning of sub-paragraph (c) should be the price of like merchandise sold on the importing market, coming from countries of export other than the country considered. Or should be based on the actual costs of such goods.

5. With regard to the elements of level, quantity and time, contracting parties should respect economic and commercial practice and, *inter alia*

- accept the usual quantity rebates even in the case of fulfilment of a contract in successive consignments;
- take into account the time required for executing the contract in the industry considered.

6. The value of imported merchandise for customs purposes should in no case be based on

- arbitrary or fictitious values, which are understood to mean any values for particular goods which are not based on the price paid or obtainable under fully competitive conditions for those or like goods for the market of the importing country, including, *inter alia*,

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- the value of the same or like merchandise on the domestic market of the country of exportation. *

7. The importer should be made responsible for the accuracy of his declaration.

**NOTE:** In Part I, the Brussels principles have been included, in some cases in modified form, with the exception of Principles II, VI and IX.

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*United States reservation re possible implication that use of costs of production would be arbitrary or fictitious.*