1. The Sub-Group met on 16-19 March 1976. It invited the Secretary General of UNCTAD or his representative to attend this meeting of the Sub-Group as an observer. It also invited a representative of the Customs Co-operation Council to attend this meeting of the Sub-Group as an observer to assist the Sub-Group in an expert capacity.

A. Customs valuation

2. The Sub-Group had a further discussion on the main elements of possible new international rules or principles on customs valuation and in particular on the four specific issues enumerated in paragraph 2 of MTN/NTM/7.

3. There was general agreement that judicial and administrative review procedures should be included as an important element in possible new international rules and principles on customs valuation. The view was expressed that these procedures should provide for at least two steps: review at the administrative level and if no satisfactory solution was reached, appeal at the judicial level. The view was also expressed that full harmonization of these procedures would be desirable but differences in existing legal systems could not be disregarded.
4. There was also agreement that all valuation laws, regulations and administrative rulings of general interest should be published and made easily accessible to the public, in accordance with Article X:1 of the General Agreement. Some delegations expressed the view that administrative decisions concerning individual transactions and not establishing a precedent should be disclosed only to the parties directly concerned.

5. Several opinions were expressed concerning the problem of precise and fair handling of non-arm's length transactions and on neutrality of valuation systems. There was a general feeling that these problems needed further clarification and should be discussed in detail at a subsequent meeting.

6. The Sub-Group had also a preliminary exchange of views on the following elements:
   - consistency with commercial practices
   - simplicity
   - precision

and agreed to revert to these elements at a later stage.

7. The Sub-Group agreed that the secretariat prepare a working paper, in consultation with delegations, containing a checklist of issues raised and of possible elements that may be included in any new set of international rules or principles on customs valuation to be adopted in the context of the multilateral trade negotiations. This paper should comprise written submissions by delegations reproduced in MTN/NTM/W/20 and Addenda and MTN/NTM/W/33 and Addenda (including any
additional comments delegations would submit in writing to the secretariat
by ............... ) as well as the draft principles and draft interpretative
notes worked out by Working Group 2 of the Committee on Trade in Industrial
Products (Annex 1 to MTN/NTM/W/7). The Sub-Group also agreed that this document
would constitute a basis for its further discussion.

B. Import documentation

8. The Sub-Group had an extensive exchange of views on the ECE Recommendation on
the Aligned Invoice Layout Key. Many delegations welcomed this recommendation
and expressed the view that adoption of this Recommendation would be the most
appropriate way to achieve the simplification and harmonization of import documents.
The Sub-Group expressed the view that work undertaken in the ECE was most useful
and should be supported by countries participating in the MTN.

9. Several delegations reiterated their view that commercial invoices should be
the only document necessary for clearance of goods and that customs invoices
should consequently be abolished but that in cases where national legislation
required the existence of customs invoices, these should be brought in line with
the ECE Invoice Layout Key. Other delegations pointed to the need and usefulness
of customs invoices under their national legal systems of customs valuation.

10. The Sub-Group had a further discussion on aspects of policy consideration
underlying import documentation requirements on the basis of the MTN/NTM/W/22/
Rev.1 and Add.1. A number of specific comments were made and further clarifica-
tions and explanations were given. Some delegations expressed the view that the
Sub-Group should attempt to identify real barriers to trade rather than calling in question particular small requirements which are dealt with in other international bodies. A suggestion was made that the Sub-Group should agree on negative list of requirements which create obstacles to trade and should be abolished.

11. The Sub-Group stressed the need for bilateral consultations to be held in order to elucidate some points raised in document MTN/NTM/W/22/Rev.1.

12. The Sub-Group agreed to revert to this item at its next meeting.

13. The Sub-Group had an exchange of views on the question of consular formalities and fees. There was widespread support for the view that these measures created a real burden to international trade and should be eliminated. The view was expressed that elimination of these measures would be a positive contribution to the MTN and that negotiating credit for such an action would be given.

14. Several delegations informed the Sub-Group that they had recently abolished consular formalities or simplified their application.

15. Some delegations which still maintained consular formalities explained why they considered the continued maintenance necessary; moreover, these delegations said that they did not consider consular formalities as real barriers to trade. In this context one delegation reiterated its reservation with respect to the draft interpretative note to Article VIII set out on page 20 of MTN/NTM/W/7.
16. The Sub-Group requested the secretariat to keep MTN/NTM/W/36 up to date and reiterated its wish that countries who had not yet done so be invited to explain in writing the justification for the continued existence of consular formalities and fees in their countries and possible problems associated with their abolition. It agreed to revert to this question at its next meeting.

D. Customs procedures

17. The Sub-Group had a further exchange of views on the question of delays incurred in the formal customs clearance processes (MTN/NTM/W/23) and agreed to revert to this question at its next meeting. The need for bilateral consultations was also stressed. The Sub-Group also reiterated its agreement that the question of penalties for errors might be taken up at a subsequent meeting.

Next meeting

18. The Sub-Group agreed that the next meeting will be held on ..........