MINUTES OF THE MEETING OF 10 OCTOBER 1989

Chairman: Mr. A. Rodin (Sweden)

1. The Committee on Customs Valuation met on 10 October 1989.

2. The following agenda was adopted:

A. Accession of further countries to the Agreement:
   (i) Cyprus

B. Report on the work of the Technical Committee

C. Information on implementation and administration of the Agreement:
   (i) Turkey
   (ii) Argentina
   (iii) Australia
   (iv) Republic of Korea
   (v) Malawi

D. Technical assistance

E. Other business:
   (i) Linguistic consistency
   (ii) Burden of proof
   (iii) Panel candidates for 1990

F. Ninth annual review of the implementation and operation of the Agreement; Report (1989) to the CONTRACTING PARTIES

G. Date and draft agenda of the next meeting
A. Accession of further countries to the Agreement

(i) Cyprus

3. The Chairman stated that the Government of Cyprus had accepted the Agreement on 24 May 1989. Under the terms of Article 24, the Agreement had entered into force for Cyprus on 23 June 1989 (VAL/38).

B. Report on the work of the Technical Committee

4. The Chairman of the Technical Committee on Customs Valuation gave an oral report on the eighteenth Session of the Technical Committee on Customs Valuation, held in Brussels from 2-6 October 1989, the full report of which is contained in CCC Doc. 35.648.

5. In connection with the intersessional developments, the Chairman said that the Technical Committee had been informed that at its 73rd/74th Sessions, the Customs Co-operation Council had discussed its policy on valuation following a report by the Chairman of the Valuation Committee, the Committee responsible for interpretation of the Brussels Definition of Value (BDV). In his report, the Chairman of the Valuation Committee had pointed out that a large number of countries applied the BDV or a system based on the BDV and that, in the present circumstances, most of them were not in a position to accede to the Agreement on Implementation of Article VII of the General Agreements on Tariffs and Trade. The Valuation Committee had therefore felt that, while retaining the ultimate objective of promoting the GATT Valuation Agreement and ensuring its adoption by all countries, those countries not ready to join the GATT Valuation Agreement yet, should be encouraged to accede to the Convention on the BDV as a step towards a subsequent changeover to the GATT Valuation Agreement. After pointing out the need to help countries overcome difficulties experienced with the GATT Valuation Agreement, the Chairman of the Council had concluded the discussion in the following terms: the Council had decided to maintain its position to promote the GATT Valuation Agreement, and, whilst continuing to provide servicing for BDV meetings, it would not promote the BDV Convention. It had instructed the secretariat to review its capability of pursuing with GATT the possibility of resolving the difficulties being experienced by many countries in accepting the Agreement. The secretariat had also been instructed to ensure that the tolerance shown to these countries had been genuine, for example where technical assistance and training were concerned. With regard to the Technical Committee on Customs Valuation, the Chairwoman of that Committee had presented the reports of the 16th and 17th Sessions. The Council had adopted those reports. Thus, the advisory opinion on conversion of currency had been approved by the Council.

6. The Technical Committee had also been informed that at the invitation of UNCTAD, a Council official had participated in an informal meeting held on 29 and 30 August 1989 between the officials from UNCTAD/FALPRO, the GATT and the Preferential Trade Area for Eastern and Southern African States
The objective of the meeting had been to examine how to respond to the concerns of the PTA countries relating to the adoption of the Customs Valuation Agreement. The Chairman added that he would keep the Committee on Customs Valuation informed of further developments in this respect.

7. The Chairman went on to say that in the area of technical assistance, the Technical Committee had taken note of Doc. 35.575 which contained a revised information on the technical assistance programme. The Committee had been informed that a project had been undertaken with the Customs Administration of Thailand under which a Council official examined the legal and organizational requirements for the adoption of the GATT Valuation Agreement by Thailand including any budgetary and economic implications. The Council had also participated in another project of this nature which involved advising the Customs Administration of Mali on the ways in which it could improve the efficiency of its valuation administration. The presence of Council officials in Mali had been utilized to make a presentation on the comparative study between the GATT Valuation Agreement and the BDV. In May 1989, the Council had organized a seminar on the GATT Agreement in collaboration with the Korean administration. About a hundred officers from the Korean Customs and by the representatives of trade and industry had attended the seminar held in Seoul. The joint participation of Customs and trade had been found to be particularly useful in examining the Korean experience with the administration of the Agreement.

8. Continuing his report on the technical questions, the Chairman said that the Technical Committee had adopted the following instruments:

- **Conversion of currency in cases where the contract provided for a fixed rate of exchange.** At its meeting held on 21 March 1989, the Committee on Customs Valuation had been informed that an advisory opinion on currency conversion had been adopted by the Technical Committee at its seventeenth Session (VAL/M/24, paragraph 12). However, the advisory opinion had not been submitted to the Committee on Customs Valuation at its March 1989 meeting so as to allow administrations time to examine the final text. As per the approved final text, the conversion of currency was not necessary if the settlement of the price was made in the currency of the country of importation. What was important was the currency in which the price was settled and the amount of the payment. The text of the advisory opinion was reproduced in the Annex to the Report of the Seventeenth Session of the Technical Committee in Council Doc. 35.250.

- **Examples to be added to the advisory opinion on currency conversion.** The Technical Committee had approved four examples which were to be added to the advisory opinion on currency conversion. These examples covered situations where the invoices were expressed in the currencies of the country of importation or of exportation or of a third country and provided for fixed rates of exchange.
Application of Article 1. paragraph 2 The Technical Committee had adopted a commentary on related party transactions. The commentary, which was in a question and answer format, offered clarification regarding the treatment of related party transactions by the customs administrations.

Application of Article 8.1(b) Two case studies relating to the application of Article 8.1(b) had been examined by the Committee. The case study approved by the Technical Committee dealt with the adjustment under Article 8.1(b)(i) of the Agreement. Consideration of another case study on this subject had been deferred because it was considered that the terms "tools, dies, moulds and similar items" appearing in Article 8.1(b)(ii) needed further clarification and also because of lack of agreement whether tools used for testing purposes could be considered as being covered by the phrase "used in the production of imported goods".

Application of deductive value method. The Technical Committee had adopted a commentary on the application of deductive value method. The commentary examined such aspects as the determination of the unit price in the greatest aggregate quantity and the calculation of usual commission or profit and general expenses.

9. In addition to the aforementioned technical questions, the Technical Committee had considered the following matters:

Activities undertaken by the buyer on his own account after purchase of goods but before importation. The Committee had examined a draft commentary on the question of activities undertaken by the buyer on his own account after purchase of the goods but before importation. In view of lack of agreement on certain aspects of this issue, the Secretariat had been asked to redraft the commentary.

Buying commission. The Technical Committee had considered a draft commentary which examined the rôle and the activities of a buying agent and the extent to which the commission charged by an agent could be considered a buying commission. The Committee would re-examine this matter at its next session.

Insurance premiums for guarantee. The Technical Committee had a preliminary discussion on the valuation treatment of insurance premiums for warranty within the context of Article 1 of the Agreement. It had asked the Secretariat to prepare a draft case study after collecting additional information from the administration which had raised this issue.

Transport cost. The Committee had considered a question on rebates and reductions to the transport cost submitted by an administration. After an exchange of information, the Committee had recognized that the treatment of transport cost and related charges would largely depend on the national legislation.
Confirming commission. In respect to the valuation treatment of confirming commission, the Committee noted that this subject had been discussed during its fifth to eighth Sessions. The Committee had invited comments which might bring in new information on the subject.

10. In addition to these technical questions, the Committee had considered the organization of its work so far as it related to the procedures for the adoption of its instruments. The Committee would revert back to this subject at its next session.

11. Concluding his report, the Chairman of the Technical Committee said that the nineteenth Session of the Technical Committee was scheduled to take place on 12-16 March 1990.

12. With regard to the advisory opinion on currency conversion adopted by the Technical Committee, the representative of Argentina said that, if Parties were allowed to fix themselves the conversion rate of the currency, the price to be paid would be influenced. His authorities considered that this was incompatible with the Agreement.

13. The Committee took note of the report of the Chairman of the Technical Committee and the statement by the representative of Argentina.

C. Information on Implementation and Administration of the Agreement

(i) Turkey

14. In response to a request for information regarding the preparation of implementing legislation in his country (VAL/M/24, paragraph 5), the representative of Turkey stated that Turkey's accession to the Agreement had been ratified by Council of Ministers Decree published in the Official Gazette of 8 September 1989. The ratification entailed provisions for the delayed application of the Agreement for a period of five years. The Agreement had entered into force for Turkey on 12 February 1989, the implementation of its provisions would therefore begin not later than 12 February 1994. The delay in the application of the Agreement had been requested so as to allow sufficient time for the amendment and adjustment of the provisions of Article 65 of the Customs law and of the relevant provisions of the customs regulations as well for the training of customs officials. The necessary preparations were already underway within the Ministry of Finance and Customs. The pertinent provisions of the customs regulations of the European Economic Community were being examined as a possible basis for the aforementioned amendments. The training activities would commence as soon as this undertaking was concluded.

15. The Committee took note of this statement.

(ii) Argentina

16. In the light of the discussion at its previous meeting (VAL/M/24, paragraphs 15 to 19), the Committee agreed to have concluded the examination of the implementing legislation of Argentina.
17. The representative of the United States said that, notwithstanding certain concerns his delegation had expressed when the proposed changes in the legislation of Australia had been pending (VAL/M/23, paragraphs 18 and 21; VAL/M/24, paragraphs 29-31), the revised legislation, implemented from 1 July 1989 (VAL/1/Add.14/Suppl.3), included a number of elements that continued to be of concern to his authorities. The effect of the changes in the dutiability of royalties and in the treatment of buying commissions would be to increase the dutiable value of goods in a way that was inconsistent with the Agreement. With respect to royalties, the new valuation legislation of Australia provided that royalties were to be included in dutiable value unless certain conditions were met, whereas Article 8 of the Agreement provided that royalties may be added only under specified circumstances. He asked the reason why Australia had not incorporated the provisions of paragraph 2 of the Note to Article 8.1(c) concerning royalties which stated that payments made by the buyer for the right to distribute or resell imported goods should not be added to the price actually paid or payable for the imported goods if such payments were not a condition of the sale for export to the country of importation of the imported goods.

18. In connection with buying commissions, the representative of the United States said that paragraph 1(a)(1) to the Note to Article 8 defined buying commissions as fees paid by an importer to his agent for the service of representing him abroad in the purchase of the goods being valued and that such buying commissions were not included in the dutiable value under Article 8. His authorities had noted that the new legislation of Australia had created certain impediments with respect to related parties and buying commissions. In particular, it limited the activities of the buying agent where his commission could be treated as non-dutiable. His delegation reserved its rights with respect to this matter. He further stated that the change in the legislation concerning the treatment of inland freight, while permitted by the Agreement, may cause nullification and impairment of the tariff concessions.

19. The representative of Australia stated that amendments to the domestic legislation of his country currently in effect took into account the concerns that other Parties had expressed in the Committee and in other fora. With reference to the points raised by the delegation of the United States, he said that the definition of royalties in the Agreement was widely cast to capture most of the circumstances where the use of royalty payments could be used as a device for disguising the price of goods. Royalties were included in the definition of price-related costs in so far as they related to the imported goods, and only if they met the stringent tests in paragraph 1 of that definition. That provision had an essential prerequisite that the royalty was paid or payable by, or on behalf of, the purchaser to the vendor under the import transaction. It expressly excluded from customs values all royalties that did not relate to the imported goods in the condition in which they were imported into Australia or where this relation was insubstantial. In the view of Australian
authorities, the definition of royalties was too wide. The legislation of Australia indicated a number of constraints from including royalties in customs values. Royalties that were paid merely for the right to reproduce the imported goods in Australia were not included in customs value.

20. The representative of Australia further stated that the issue of buying commissions was currently under discussion in the Technical Committee. In the view of his authorities the role of a buying agent was to act solely in the interest of the purchaser of the goods. They believed that if a buying agent was associated with the seller otherwise than as an agent of the purchaser, or indeed produced, supplied, transported or otherwise traded in the imported goods or received a commission from someone other than the purchaser, then that buying agent could not be seen to be acting solely in the interest of the purchaser. However the agent could arrange for transport and other such services at the request of the purchaser. The purpose of the procedures adopted in the domestic legislation of Australia was to narrow the scope of the buying commission to ensure that a buying agent would be allowed to represent other parties unconnected with the import sale of particular goods, without prejudicing the right not to include any commissions payable to that agent in the customs value. This was a controversial question, in particular as regards the relationship between the seller and the agent. The legislation of Australia had taken a certain stand on this matter which remained unresolved at the technical level.

21. The representative of Australia went on to say that when proposing the amendments to foreign inland freight and insurance in April 1987, his authorities had undertaken to consider any appropriate remedies, should these amendments cause a distortion in the level of duties. In the case of valuation of soda ash where foreign inland freight had a large part, the Australian government had referred the question of protective levels to the Industries Assistance Commission. Following that Commission's report his government had altered, with effect from 1 July 1989, the duty rates on this commodity in order to remedy any adverse effect of the changes in the legislation on the trade of that commodity.

22. The representative of the European Economic Community said his authorities reserved their right until they studied the changes in the legislation of Australia further.

23. The Committee took note of the statements and agreed to revert to the legislation of Australia at its next meeting.

(iv) Republic of Korea

24. The representative of the Republic of Korea recalled that the revisions of the Customs Law and the Presidential Decree relevant to the Agreement and the revised provisions of the Detailed Enforcement Regulations on Customs Assessment had been circulated in documents VAL/1/Add.19/Supplements 3 and 4. In response to the question by the delegation of the United States regarding the motives of his authorities
for revising the Customs Law, the representative of the Republic of Korea said that previously most of the principles and provisions of GATT Valuation Agreement were reflected in the administrative regulations established by the Commissioner. However, there had been views that the functions of customs administrations had been too broadly defined. The National Assembly had enacted most of the valuation provisions in the Commissioners Order as part of the Customs Law. The legal status of these regulations had been enhanced by the new Customs Law.

25. In response to the remark by the delegation of the United States that the provisions of paragraph 1(4) of the Customs Law 9-3 appeared to be broader than those of paragraph 1 (c) of the Note to Article 8 concerning patents, trademarks and copyrights, the representative of the Republic of Korea said that this paragraph illustrated the term "among other things" in the Note. In response to the question by the same delegation regarding the standards for exception used by the Ministry of Finance, he said that in case of small items carried by aircraft, the freight and insurance costs could be higher than the value of the goods because of the use of c.i.f price as the dutiable base. This paragraph provided the legal basis for exceptional adjustment of freight and insurance costs so as to reduce the burden of importers.

26. In response to a clarification sought by the delegation of the United States, the representative of the Republic of Korea said that in the Korean version of the text the provisions of Article 9-5 were identical to those of Article 9-4 with the exception that the word "similar" was substituted to the word "identical". The misunderstanding might have been due to a problem of translation.

27. In response to the question by the delegation of the United States concerning the deletion of paragraph 3 of Article 2 in the previous decree relating to the application of the simplified rate, the representative of the Republic of Korea replied that in respect of goods subject to simplified rate, the previous decree required the determination of customs value according to the Agreement. Since most of the provisions and principles of the Agreement had been incorporated in the new Customs Law the provisions relating to the application of the simplified rate had become redundant.

28. In response to the question by the delegation of the United States, the representative of the Republic of Korea said that the Customs Law did not contain any specific provisions relating to the Committee decision on the valuation of carrier media bearing software for data processing equipment (VAL/8). However the value of software embodied in the imported goods was to be treated as a dutiable transaction value in accordance with Article 9-3 of the customs law and the Committee decision. Similarly, payments for copyrights was also to be added to the price actually paid or payable for the imported goods in terms of paragraph 1 (c) of the Note to Article 8.
29. In response to a question by the delegation of the United States, the representative of the Republic of Korea said that the reference to item 1 to item 8 of Article 20 of the Presidential Decree for Basic Law for National Tax in paragraph 8 of Article 3-3 of the Presidential Decree was made to secure the consistency as regards the treatment of related parties in the relevant laws.

30. In response to a request for clarification by the delegation of the United States, the representative of the Republic of Korea said that the term "similar to them" did not appear in item 4 of paragraph 1 of Article 9-3 of the Law because of a translation problem. "Similar to them" in paragraph 2 of Article 3-5 should read "similar rights" as provided in paragraph 1 (4) of Article 9-3 of the Law.

31. In reply to the question by the delegation of the United States concerning the authorization in the Agreement for Article 3-9 of the Presidential Decree, the representative of the Republic of Korea explained that this provision was to be applied only upon the request of the duty payer who was usually identical to the importer. Its purpose was to promote the efficiency in customs procedures and to further benefit the importer by avoiding repeated computation of similar rates of addition and deduction. For his authorities, Article 3-9 of the Presidential Decree was not inconsistent with the basic principles of the Agreement.

32. The Committee took note of the clarifications given by the Republic of Korea regarding the revisions of its customs law and agreed to revert to this item at its next meeting.

(v) Malawi

33. The representative of Malawi said that he would draw the attention of the competent authorities in his country to the provisions of Article 25 of the Agreement regarding the submission of information on the legislation implementing the Agreement in his country. On behalf of the Committee, the Chairman expressed the hope that such a submission could be made in the near future.

D. Technical assistance

34. The Committee took note that the most recent information concerning technical assistance was contained in document VAL/W/29/Rev.4 dated 23 August 1989.

E. Other business

(i) Linguistic consistency

35. The Chairman recalled that the proposed rectification of the French text of the first sentence of paragraph 1 of both to Note to Article 2 and the Note to Article 3 had been circulated to Parties for comments in document VAL/W/49. In a communication circulated in document VAL/W/49/Add.1 the delegation of Canada had given its comments on the proposed amendment and had indicated an alternative rectification.
36. After a brief discussion, the Chairman suggested that the new proposal for the rectification of the French text of the Agreement would be circulated to Parties for comments. If there were no objections to the proposed rectification within thirty days of its circulation, the French text of the Agreement would be changed as suggested by Canada. It was so agreed.

(ii) Burden of proof

37. The representative of India introduced a communication by his delegation entitled "Justification for India's proposal on burden of proof" (VAL/W/51). India had submitted a proposal to the Negotiating Group on MTN Agreements and Arrangements in September 1987 (MTN.GNG/NG8/W/9) which had suggested to provide adequate flexibility in the Agreement to enable customs administrations to place the burden of proof on the importer in certain specified situations in which they considered necessary to check imported goods for possible undervaluation. The existence of the problem had been acknowledged in the discussions of the proposal held in the Committee on Customs Valuation as well as in the Negotiating Group 8. However, views had been expressed that Article 17 of the Agreement and paragraph 7 of the Protocol, which empower the Customs authorities to call for any additional information, document and evidence to satisfy themselves about the truth or accuracy of the declared transaction value, were adequate to meet the situations mentioned in India's proposal and that, therefore, no amendment to the Agreement was necessary. Attention had also been drawn to Advisory Opinion 10.1 of the Technical Committee that no administration could be required to rely on fraudulent documentation. Customs administrations had the right to assess the situation and to ascertain that the declared price was acceptable. On the other hand, some delegations had not been able to appreciate the difficulties expressed by India and had wished to have further details. The Technical Committee on Customs Valuation had also considered the issue of burden of proof. It had agreed on Advisory Opinion 19.1 relating to this matter which concluded that the rights and obligations of the importers and customs in the determination of customs value other than those which were specifically mentioned in the Agreement, would depend on national laws and regulations. It could be argued that the Agreement did not specifically refer to the burden of proof and that the ability to shift the burden of proof would depend on how this matter was treated in national laws and regulations. This implied that in framing the national laws and regulations the Agreement did not bar customs administrations from shifting the burden of proof to the importer in situation of their choice.

38. The proposal of India had been based on the apprehension that Article 17 of the Agreement and Article 7 of the Protocol had not been adequate to enable the customs administrations to reject the declared transaction values where the customs had reasons to believe that the declared prices were deliberately suppressed or undervalued through full collusion between the importer and the supplier. The experience of India with the application of the Agreement since 16 August 1988 had confirmed this apprehension. His authorities had been faced with many cases of deliberate undervaluation where they had inadequate evidence on the
existence of collusion between importers and suppliers. Details of such situations were given in document VAL/W/51. In a first category of cases, imported goods were supplied through arrangements with certain companies or trading houses established abroad. The foreign companies bought the goods from the exporting countries and reinvoked them to the importer at a price much lower than the price at which the goods had been purchased. Second, the commercial documents showed very low prices and suppressed the actual transaction value in the case of certain imports by sole agents, sole concessionaries and sole distributors. Third, the invoice prices of imported goods were undervalued in certain cases of transactions arranged through buying agents who were usually known to the importer. In all these situations it had been noticed that invoices were manipulated through prearrangement between importers and suppliers. The real transaction values were suppressed in the documents prepared by suppliers. Invoices were settled through banking channels. Such transactions did not leave any evidence since the difference between the actual transaction value and the invoice value was also settled through some other authorized channel. Customs authorities had to accept these values while being fully aware that prices had been manipulated.

39. Prior to the implementation of the GATT Valuation Agreement in India, customs valuation was based on the concept of "actual value" under Article VII of the GATT which allowed uplifting of invoice values that were found to be low compared to contemporaneous transactions. This mechanism acted as a check against deliberate undervaluation. With the implementation of GATT Valuation Agreement, the stipulation that the declared transaction value had to be accepted unless there was evidence to the contrary acted as an incentive to deliberate undervaluation. It had been observed that the same importers had started buying the goods from the same suppliers at much lower prices after the implementation of the Agreement. Successive undervaluation had also been noticed in cases where the tariff levels were very high and imports were in substantial quantities. In the period after the implementation of the Agreement his authorities had found that the declared transaction values had to be accepted in about 98 to 99 per cent of the cases. They had genuine reasons to doubt that a good number of these transactions had been undervalued but that there was no evidence to establish the fraud. Undervaluation was estimated to be around 4 to 5 per cent of total transactions and involved a loss of around 5 to 10 per cent of the total customs revenue of ten billion US dollars. The details of the modus operandi of these transactions were given in document VAL/W/51, his authorities were not in a position to illustrate specific cases because Parties were bound by the Agreement to observe the confidentiality of information on transactions. Should this be considered necessary by other delegations his delegation was prepared to supply further details. India noted the Advisory Opinion 2.1 which provided that the mere fact that a price is lower than prevailing market prices for identical goods should not cause it to be rejected. Subject to the provisions of Article 17 the customs authorities might verify the truth and accuracy of the invoice value. India also noted the advisory opinion of the Technical Committee which provided that customs authorities were not bound to approve fraudulent customs declarations. However, the customs authorities were not in a position to obtain evidence for the establishment
of the fraud which would enable them to sustain or reject the transaction value. It was a grey area between direct fraud and situations where invoice values were less than genuine values. India believed that this problem of underinvoicing was a common feature in countries that had high tariff rates. However, overinvoicing of imported goods had also been used for the purpose of transfer of capital in certain cases where tariff rates were comparatively low or negligible. Deliberate undervaluation or overvaluation had been recognized by the Committee as a major problem under the Agreement but a solution had not been found on the assumption that Article 17 of the Agreement and paragraph 7 of the Protocol were sufficient. India had also noted that the Technical Committee in its advisory opinion had explained sufficiently the rights and obligations of the customs administrations. It could be concluded that these rights and obligations could be provided in the national legislations of Parties. However, in order to have a uniform application of this provision it was essential to provide for adequate provisions in the Agreement itself. Alternative ways of finding a solution of long term to this problem would be either by amending the Agreement or by concluding another Protocol. It was a recognized fact that the Agreement had been finalized to promote the legitimate rights or to provide a fair, uniform and neutral system of valuation of imported goods consistent with commercial practices. His authorities had found that because of deliberate undervaluation trade was taking place illegally in a fairly important area.

40. The representatives of Brazil, Yugoslavia and Zimbabwe supported the thrust of the communication by India. The representative of Brazil said that the communication contained several useful points and deserved further consideration. Like the Indian customs authorities, his authorities had experienced problems connected with over and underinvocing of imports which had led to capital flight and loss of revenue in his country. It was rather difficult for developing countries to overcome these problems since they lacked the necessary technical infrastructure to enable them to determine whether the declared prices of imports corresponded to the prices actually paid for imports. Suggestions made by India could therefore allow developing countries to apply the Agreement more effectively and, at the same time, safeguard their own interest. The representative of Yugoslavia said that his authorities had encountered problems similar to those invoked in the communication by India. They supported the general thrust of the proposal and reserved the right to revert to it at future meetings. The representative of Zimbabwe supported the thrust of the communication by India. It elaborated and analysed the questions that had also been referred to by the customs administration in his country.

41. The Committee took note of the statements made.

(iii) Panel candidates for 1990

42. The Chairman recalled that, in accordance with the requirements of paragraph 2 of Annex III to the Agreement, Parties would be expected at the beginning of 1990 to nominate persons available for panel service in 1990 or to confirm existing nominations. He urged all Parties to communicate the relevant information, through the secretariat, as soon as possible.

43. The Committee conducted its annual review of the implementation and operation of the Agreement on the basis of a secretariat background note, VAL/W/50, and agreed that the secretariat issue, as a VAL/- document, a revisions taking into account the comments made and the work at the present meeting.

44. The Committee adopted its annual report to the CONTRACTING PARTIES (L/6595).

G. Date and draft agenda of the next meeting

45. The Committee agreed to hold its next meeting in the first half of 1990, the date to be fixed by the Chairman in consultation with interested delegations. The following draft agenda was agreed for the next meeting:

A. Election of Officers for 1990;
B. Report on the work of the Technical Committee;
C. Information on implementation and administration of the Agreement;
D. Technical assistance;
E. Other business.