ARTICLE 18 - TARIFF VALUATION

Report of Special Committee on Paragraph 2(c)

The Special Committee submits the following draft subject to the reservation of the representative of the United States that he is unable to accept this draft unless the third paragraph is retained:

"(c) Except as otherwise provided for this sub-division, where it is necessary for the purposes of sub-division 2(a) of this Article for a Member to convert into its own currency a price expressed in the currency of another country, the conversion rate of exchange to be used should be based on the par values of the currencies involved as established pursuant to the Articles of Agreement of the International Monetary Fund or by special exchange agreements entered into pursuant to Article 29 of the Charter.

Where no such par value has been established, the conversion rate shall reflect effectively the current value of such currency in commercial transactions.

Any member may establish for any foreign currency in respect of which official multiple rates are in force, a single rate designed to reflect effectively the current value of such currency in commercial transactions.

No member shall alter the method of converting currencies for Customs purposes which is applicable in its territory on the day of the signature of this Charter in such a manner as to increase generally the amounts of duty payable. The appreciation of a currency which is recognized by a change in its established par value shall not be considered a change in the method of converting currencies."