

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Committee on Customs Valuation

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INFORMATION ON IMPLEMENTATION AND ADMINISTRATION OF THE AGREEMENT

Checklist of Issues

Addendum

UNITED STATES

At its meeting held on 5 May 1981, the Committee on Customs Valuation decided, *inter alia*, that Parties should reply in writing to the points contained in the revised checklist of issues relating to national legislation on customs valuation (VAL/2/Rev.1).

The reply submitted by the delegation of the United States is reproduced hereunder.

- 1(a)(i). Provisions for dealing with sales between related persons in the context of the transaction value method are found in Section 201 of the Trade Agreements Act of 1979 (TAA), the United States statute which implements the Agreement on Customs Valuation by amending Section 402 of the Tariff Act of 1930. In addition, Section 152.103 of Title 19 of the Code of Federal Regulations (CFR) contains provisions for related party transactions.
- 1(a)(ii). Intercompany prices are not automatically regarded as having been influenced by the relationship. See Section 402 (b) (2) (B) of the Tariff Act of 1930 (contained in Section 201 of TAA) and Sections 152.103 (j) (2) and 152.103 (1) of Title 19 of the CFR.
- 1(a)(iii). See Section 152.103 (M) and Section 152.2 of Title 19 of the CFR.
- 1(a)(iv). See Sections 402 (b) (2) (B) and (C) of the Tariff Act of 1930 (contained in Section 201 of TAA) and Section 152.103 (j) (2) of Title 19 of the CFR.
- 1(b). Part 158 of Title 19 of the CFR makes provisions for relief of duty on importations of lost and damaged goods.
2. See Section 402 (a) (2) of the Tariff Act of 1930 (contained in Section 201 of the TAA) and Section 152.101 (C) of Title 19 of the CFR.
3. See Section 402 (d) of the Tariff Act of 1930 (contained in Section 201 of the TAA) and Section 152.105 of Title 19 of the CFR.
4. See Section 152.106 (f) of Title 19 of the CFR.
- 5(a). See Section 402(f) of the Tariff Act of 1930 (contained in Section 201 of the TAA) and Section 152.107 of Title 19 of the CFR.
- 5(b). See Section 402 (A) (3) of the Tariff Act of 1930 (contained in Section 201 of the TAA) and Section 152.101 (d) of Title 19 of the CFR.

- 5(c). Yes. See Section 402(f) (2) of the Tariff Act of 1930 (contained in Section 201 of the TAA) and Section 152.108 of Title 19 of the CFR.
6. The United States does not use a C.I.F. system of customs valuation, but rather an F.O.B. system. In those transactions in which the transaction is based solely on ex-factory prices, such prices are accepted as the basis for transaction value.
7. Rates of exchange used for customs purposes are published in the Customs Bulletin. See Part 159 of Title 19 of the CFR.
8. Section 402 (a) (3) of the Tariff Act of 1930 (contained in Section 201 of the TAA), which deals with the importer's right to an explanation of how his goods were valued, contains a confidentiality passage. Section 152.101(d) of Title 19 of the CFR expands on this notion.
- 9(a). See Sections 514 and 515 of the Tariff Act of 1930 and Part 174 of Title 19 of the CFR.
- 9(b). Section 515(a) of the Tariff Act of 1930 (as amended by the TAA) requires that the Customs Service, upon denying an importer's appeal, inform the protesting party of his right to further appeal in the U.S. Court of International Trade.
- 10(a)(i). Relevant national laws are published in the United States Code.
- 10(a)(ii). Regulations concerning the application of the Agreement are found in Title 19 of the CFR.
- 10(a)(iii). Judicial decisions and administrative rulings of general application are published in the Customs Bulletin.
- 10(a)(iv). These laws are also published in the United States Code.
- 10(b). No further rules are anticipated at this time.
- 11(a). Part 113 (on Customs Bonds) and Part 142 (on the Entry Process) of Title 19 of the CFR permits merchandise to be admitted into the commerce of the United States after the merchandise has been examined and a bond has been posted.

- 12(a). Yes. See Section 402(a)(3) of the Tariff Act of 1930 (contained in Section 201 of the TAA).
- 12(b). Yes. See Sections 152.101(d) and 152.2 of Title 19 of the CFR.
13. The interpretative notes have been included either in Section 201 of the TAA or in Part 152 of Title 19 of the CFR.