

GENERAL AGREEMENT ON

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TARIFFS AND TRADE

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Committee on Customs Valuation

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COMMUNICATION FROM ZIMBABWE

The following communication, dated 17 October 1991, has been received from the delegation of Zimbabwe.

It may be recalled that Zimbabwe was granted by the Committee on Customs Valuation an extension of delay of two years, beginning 1 January 1991, on the application of Article 1.2(b) (iii) and Article 6 of the Agreement on the Implementation of Article VII of GATT. In addition, it was agreed that my country would provide periodic progress reports on the steps taken to implement these two Articles. An initial progress report was to be made by 31 December 1991.

Accordingly, I now wish to inform that my authorities have prepared the draft legislation for the implementation of the two Articles in question. A draft bill will soon be submitted to our Parliament for approval and it is hoped that the law to implement Articles 1.2(b) (iii) and 6 would be in place by 31 December 1991.

In order to facilitate this process my authorities are requesting¹ signatories to the Code to make any written comments on the draft bill before it goes to Parliament. In view of the proposed timing for the implementation of the two provisions we would expect interested parties to submit their comments as soon as possible, but not later than 1 November 1991.

¹See attached pages (English only).

B I L L

To amend the Customs and Excise Act (Chapter 177)

ENACTED by the President and Parliament of Zimbabwe.

1. This Bill may be cited as the Customs and Excise Amendment Bill 1991.

2. Section 91 of the Customs and Excise Act (Chapter 177) hereinafter called the "principal Act" is amended by the insertion of the following definitions:

"computed value", in relation to imported goods, means the value of the goods as determined by the Director in terms of Section 96A.

"General Expenses" means the direct and indirect costs, charges and expenses of producing and selling goods for export, other than the charges and expenses referred to in Section 96A(2) (a) to (f).

3. Section 96 of the principal Act is amended by the insertion in subsection (1) of the following proviso:

"provided that at the request of the importer of any goods being valued made prior to the commencement of the valuation of the goods, the order of application of this Section and Section 96A shall be reversed."

4. The principal Act is amended by the insertion after Section 96 of the following new Section:

"Computed Value: Fourth Alternative Method 96A (1) Subject to the provisions of Section 97 and this section, if the value for duty purposes of any imported goods cannot be established in terms of Section 93, 94, 95, or 96, their value for duty purposes shall be the computed value of the goods as determined by the Director in terms of this Section.

(2) The computed value shall be an amount computed in accordance with generally accepted accounting principles and based on information supplied by the producer of the goods in question, which aggregates the following:

(a) the value of the materials used in producing the goods to be valued;

(b) the costs, charges and expenses incurred by the producer in, or in connection with, the production of the goods to be valued;

- (c) the cost of containers which are treated as being one for customs purposes with the goods in question;
- (d) the cost of packing, including that of the labour or materials concerned;
- (e) the value of any of the goods and services referred to in Section 99(1) (b), determined and apportioned to the goods being imported as referred to in that section, whether or not such goods and services have been supplied free of charge or at a reduced cost;
- (f) the cost, charges and expenses incurred by the producer in respect of engineering development work, art work, design work, plans or sketches undertaken in Zimbabwe that was supplied, directly or indirectly, by the importer for use in connection with the production and sale for export of the imported goods;
- (g) the cost of transportation and the cost of loading, unloading, handling transport and insurance and associated costs incidental to delivery of the imported goods at the port or place of export in the country of exportation, ready for export to Zimbabwe; and
- (h) the amount for profit and general expenses equal to that generally applicable in sales of goods of the same class or kind as the imported goods which are usually added by producers in the country of exportation in sales for export to Zimbabwe to unrelated imports."

5. Section 97 of the principal Act is amended by the deletion of "ninety-three to ninety-six" wherever they occur and the substitution of "ninety-three to ninety-six A".

6. Section 98 of the principal Act is amended by the deletion of "ninety-three to ninety-six" and the substitution of "ninety-three to ninety-six A".

7. Section 99 of the principal Act is amended in the proviso to Section 2(c) by the deletion of (i) and (ii) and the insertion of:

- (i) Where the goods to be valued were imported by air transport, the cost of freight and insurance shall be deemed to be fifteen per centum of the free on board value of the goods to be valued plus any charges and expenses referred to in paragraph (b), unless the importer satisfies the proper officer to the contrary.

- (ii) Where the goods to be valued were imported by air transport free of charge or at reduced cost or are commercial goods brought in as passengers baggage, the cost of freight and insurance shall be deemed to be fifteen per centum of the free on board value of the goods to be valued plus charges and expenses referred to in paragraph (b).

8. Section 101 of the principal Act is amended in subsection (3) by the insertion after paragraph (b) of the following:

"(c) all or part of the duty due on goods temporarily imported in terms of Section 105 which have been seriously damaged by accident or force majeure under such conditions as he may specify"

9. Section 176 of the principal Act is amended by the repeal of subsection 13 and the substitution of:

"13 The Director may assign to any officer of the rank of Deputy Director of Customs and Excise any of the duties, powers and functions conferred upon the Director in terms of this Section and in respect of an officer of the rank of Assistant Director of Customs and Excise any of the duties, powers, and functions conferred upon the Director in paragraph (b) of subsection (6) and (10) to deal with articles which have been seized in terms of subsection (1) and in relation to which proceedings have not been instituted in the time provided in terms of subsection (9)."

10. Section 182 of the principal Act is amended by the insertion of the following:

"11 Save that the Director may assign to an officer of the rank of Deputy Director of Customs and Excise any of the duties, powers and functions conferred upon the Director in terms of subsection (9) and subsection (10) of this Section."