

GENERAL AGREEMENT ON TARIFFS AND TRADE

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Committee on Customs Valuation

PRIVATE COMPANIES ENGAGED IN CUSTOMS VALUATION

"Conclusions and proposals" submitted to the ECE Working Party on Facilitation of International Trade Procedures

At the meeting of the Committee on Customs Valuation of 10 November 1986, the United States delegation requested that a Committee document be issued reproducing the section entitled "Conclusions and Proposals" of a paper (TRADE/WP.4/R.376), dated 8 July 1985, on discouragement of pre-shipment inspection, transmitted by a delegation to the ECE Working Party on the Facilitation of International Trade Procedures. The text in question is reproduced below.

"CONCLUSIONS AND PROPOSALS

Pre-shipment inspections and controls not provided for by the contracting parties [to the commercial contract] to ensure that the contractual conditions are properly executed or that the products comply with the norms and safety rules in force, should be discouraged in so far as they may result in calling into question one or more clauses of a commercial contract.

In any case, if controls other than for safety, quality or quantity are demanded by the importing country, they should be carried out at the place of destination at the time of importation.

The countries [concerned] might be requested, possibly through the UNCTAD secretariat, to repeal their regulations on pre-shipment price controls and, with the support of the Working Party on Facilitation of International Trade Procedures, to initiate cooperation between the specialized foreign trade organizations of their countries (e.g. Foreign Trade Information Centres or Bureaus or Chambers of Commerce) and their counterparts in the exporting countries to obtain as much and as detailed information as possible on market prices in the various countries of production so as to protect themselves against any incident at the time of performance of contracts and thus avoid imposing extra trade costs.

If, nevertheless, pre-shipment controls or inspections seem indispensable to the authorities of some importing countries in order to ensure the application of their own regulations, these controls or inspections should be:

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- (a) Limited by a reduction in the number of products subjected to these controls as well as the establishment of a minimum value by contract below which no control certificate would be required;
- (b) Carried out as soon as possible, preferably at the time of the conclusion of the contract when the nature of the goods is perfectly known and when physical control of these goods is not indispensable, either on the basis of information gathered as suggested in [the preceding] paragraph or with the specialized assistance of a control body;
- (c) Carried out only by an official organization of the exporting country or under government control by firms which undertake to comply with a number of ethical rules."