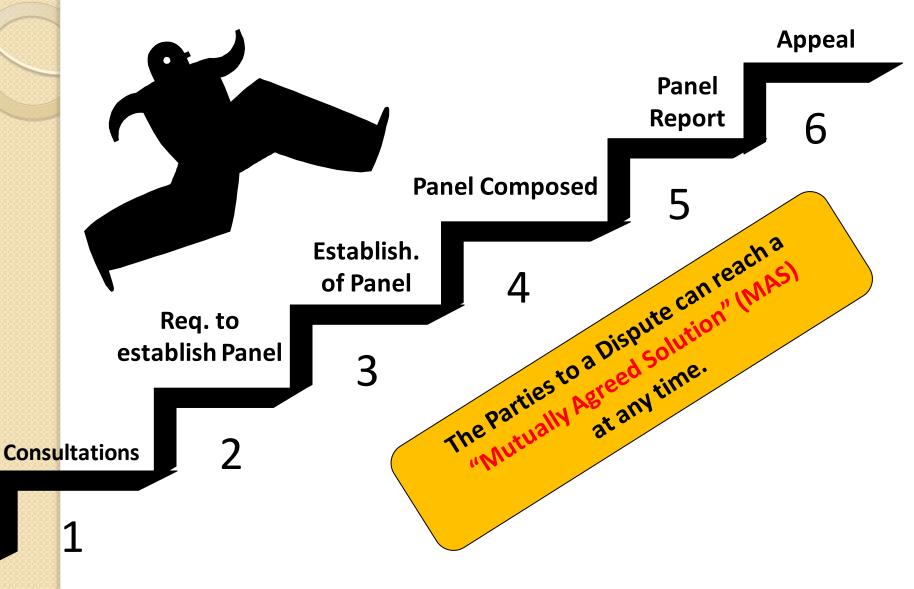
<u>WTO disputes :</u> Panel Findings on Customs <u>Valuation</u>

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- A dispute arises when a Member believes that another Member is not complying with a covered Agreement or a specific commitment made in the WTO.
- The Dispute Settlement Body (DSB) has the ultimate responsibility for settling disputes
- ➤ The Dispute Settlement Understanding (DSU) is the main WTO agreement on settling disputes. → One of the cornerstones of the multilateral trading system.





Background :

• On 12 July 2007, Panama requested consultations with Colombia on :

(i) use of indicative prices applicable to specific goods, and,

(ii) restrictions on ports of entry for certain goods.

Panama alleged that:

 Colombia require importers of specific goods to pay customs duties & other duties and charges based on INDICATIVE PRICES, rather than on the WTO Valuation methods.

Panel Findings:

Colombia's Resolutions establishing indicative prices

INCONSISTENT WITH : Sequential application of methods of valuation (Art I-6 CVA)

Panel Findings:

Measures inconsistent with Article 7.2 (b) and 7.2 (f) For using the higher of two values/ minimum values

Panel Concluded:

- Colombia acted inconsistently with the provisions of the CVA which has nullified and impaired benefits which should accrue to Panama.
- Recommended Colombia to bring its measures into conformity with the CVA.

Background:

•7 February 2008 : the Philippines requested consultations with Thailand concerning a number of fiscal and customs measures affecting imports of cigarettes from the Philippines.



Philippines alleged that Thailand improperly rejected the transaction value, violating Art 1.1 and 1.2 (a) Thailand

Failed to examine circumstances of transaction Failed to respect sequential order of valuation methods

The Philippines further argued that Thai Customs:

- had applied the deductive method inconsistently with Articles 5 and 7 of the CVA.

 had violated procedural obligations under Articles 10 (not to disclose confidential information) and 16 (to provide an explanation for the determination of the final customs value)

Thailand stated that:

- the burden of establishing that the relationship did not influence the price was on the importer.
- they had acted consistently as the importer failed to provide sufficient information to prove that the relationship did not influence the price.

Panel Findings (I)

• Thai Customs explanation was insufficient to reject the importer's declared transaction value and to determine a different customs value.

Panel Findings (II)

Thai Customs :

- had not deducted all relevant expenses in accordance with Article 5 of the CVA
- had not consulted the importer for any further relevant information, as required under Article 7.3 of the CVA
- failed to examine the circumstances of sale (Art. I.2(a))