

Taiwan Customs Valuation Agreement

Coordination Council for North American Affairs

Office in U.S.A.

5161 River Road, Bethesda. MD 20816

August 22, 1986

Mr. David Dean

Chairman of the Board and Managing Director

American Institute in Taiwan

1700 N. Moore Street, 17th Floor

Arlington, VA 22209

Dear Mr. Dean:

According to the understanding reached by Coordination Council for North American Affairs and American Institute in Taiwan during the CCNAA and AIT trade talks held in Washington D.C. on August 4-8, 1986, this letter sets forth measures that the CCNAA side will undertake in connection with implementation of the GATT Customs Valuation Code.

(1) Effective immediately, the CCNAA side will not apply the duty paying list to any goods of U.S. origin imported into the territory represented by the CCNAA.

(2) The Ministry of Finance will issue and publish in the Ministry of Finance Gazette, not later than September 1, 1986, a regulation which abolishes the duty paying list effective October 1, 1986. The Ministry of Finance regulation will further specify that we will employ only the following methods of customs valuation in hierarchical order:

- * transaction value of imported goods;
- * transaction value of identical goods;
- * transaction value of similar goods;
- * deductive method;
- * computed method; and
- * fall back method.

(3) The Ministry of Finance will distribute, not later than September 1, 1986, the above regulation to our customs officials advising them of the abolition of the duty paying list effective October 1, 1986 and instructing our customs officials to use transaction value and those methods of customs valuation contained in the domestic Customs Law which implements the substantive provisions of the GATT Customs Valuation Code and its interpretative notes no later than that date.

(4) The Ministry of Finance will not use the transitional discretionary power contained in our Customs Law, as amended on July 1, 1986, to apply a duty paying list or any similar scheme of officially established prices.

Both sides also agree to consult regarding any matter relating to the implementation of the understanding reached with respect to the case on customs valuation under section 301 of the Trade Act of 1974, as amended.

It is our understanding that, in recognition of these measures, AIT will request the Office of the United States Trade Representative to terminate the case on customs valuation practices in Taiwan initiated under section 301 of the Trade Act of 1974, as amended.

Sincerely yours,

Fredrick F. Chien

Representative

AMERICAN INSTITUTE IN TAIWAN

1700 N. Moore St.

17th Floor

Arlington, Virginia 22209

(703) 525-6474

August 22, 1986

Dr. Fredrick F. Chien

Representative

Coordination Council for

North American Affairs

5161 River Road

Bethesda, Maryland 20816

Dear Dr. Chien:

I have the honor to acknowledge receipt of your letter to David Dean of today's date which reads as follows:

"Dear Mr. Dean:

According to the understanding reached by the Coordination Council for North American Affairs and the American Institute in Taiwan during the CCNAA and AIT trade talks, held in Washington, D.C.- on August 4-8, 1986, this letter sets forth measures that the CCNAA side will undertake in connection with implementation of the GATT Customs Valuation Code.

1. Effective immediately, the CCNAA side will not apply the duty paying list to any goods of U.S. origin imported into the territory represented by the CCNAA.

2. The Ministry of Finance will issue and publish in the Ministry of Finance Gazette, not later than September 1, 1986, a regulation which abolishes the duty paying list effective October 1, 1986. The Ministry of Finance regulation will further specify that we will employ only the following methods of customs valuation in hierarchical order:

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- transaction value of similar goods;
- deductive method;

- computed method; and
- fall back method.

3. The Ministry of Finance will distribute, not later than September 1, 1986, the above regulation to our customs officials advising them of the abolition of the duty paying list effective October 1, 1986 and instructing our customs officials to use transaction value and those methods of customs valuation contained in the domestic Customs Law which implements the substantive provisions of the GATT Customs valuation Code and its interpretative notes no later than that date.

4. The Ministry of Finance will not use the transitional discretionary power contained in our Customs Law, as amended on July 1, 1986, to apply a duty paying list or any similar scheme of officially established prices.

5. Both sides also agree to consult regarding any matter relating to the implementation of the understanding reached with respect to the case on customs valuation under section 301 of the Trade Act of 1974, as amended.

It is our understanding that, in recognition of these measures, AIT will request the Office of the United States Trade Representative to terminate the case on customs valuation practices in Taiwan initiated under section 301 of the Trade Act of 1974, as amended.

Sincerely,

Dr. Fredrick F. Chien

Representative, CCNAA"

Based on the commitments contained in your letter and the implementation of these commitments by the dates specified, I am pleased to inform you that effective October 7, 1986 the Office of the United States Trade Representative will terminate the case on customs valuation practices in Taiwan under section 301 of the Trade Act of 1974, as amended.

Sincerely

David Dean

Chairman of the Board

and Managing Director

TANC offers these agreements electronically as a public service for general reference. Every effort has been made to ensure that the text presented is complete and accurate. However, copies needed for legal purposes should be obtained from official archives maintained by the appropriate agency.