

ANNEX.

VALUATION OF GOODS FOR CUSTOMS DUTY PURPOSES.

Empire Customs Certificates.

1. The main object of the Imperial Customs Conference (held in London in February and March, 1921) was to prepare a uniform form of invoice and certificate of value and origin which could be used by exporters sending goods to any part of the Empire. An arrangement achieving this would, it was felt, be a very great saving of time and expense to exporters in that they would have to keep in stock only one set of such Customs documents instead of many different ones (which in many cases differed in quite unimportant respects). A uniform invoice and certificate was accordingly prepared by the Conference and published as an appendix to its report. It was formally circulated to the Dominions, India, the colonies, and protectorates, and, subject to four slight alterations, subsequently agreed to by the parties represented at the Conference, adopted by Australia, New Zealand, Newfoundland (subject to the proviso regarding the deletion of the portion of the certificate dealing with origin referred to in paragraph 4 below), Union of South Africa, Cyprus, Gold Coast, Fiji, British Guiana, and most of the West Indian colonies.

Dominions which have not yet adopted the Proposals of the Imperial Customs Conference.

2. As indicated in paragraph 1 of this memorandum, all the Dominions with the exception of Canada and the Irish Free State have accepted the recommendations (as subsequently modified) of the Imperial Customs Conference. Canada, however, partly owing to existing legislation and partly to the special circumstances of her trading relations with other countries, has not so far seen her way to fall into line with the other Dominions. With regard to the former objection, it might be added that the Governments of both Australia and New Zealand found it necessary to take legislative action to bring into force in their respective countries the recommendations of the Imperial Customs Conference. The resolution which the Commercial Facilities Committee has prepared takes special cognizance of this fact in the hope that the necessity of legislative action will not of itself be an insuperable difficulty in arriving at the much desired uniformity throughout the Empire in this matter. With regard to the latter objection—*i.e.*, special circumstances of trade—it may be noted that although the certificate set out in Appendix I to this memorandum might in certain respects supply more information than the Canadian authorities would require for assessing Customs duties, the position would not in that respect be essentially different from that in the case of the other Dominions who have already adopted the invoice and certificate, as the object of a uniform invoice and certificate is to provide *all* the information which *any* of the Dominions require for assessing Customs duties in their territories.

At the time of the Imperial Customs Conference the Irish Free State did not exist as a separate Dominion. Since its establishment it has continued the use of the same forms as are required by the United Kingdom and to collect duty on the same basis as is adopted in this country. At the present time, therefore, the Irish Free State does not levy duty on the "current domestic value" of goods, and the form of certificate and invoice prepared by the Imperial Customs Conference would obviously be unsuitable.

The case of India is similar to that of the Irish Free State and Great Britain in that no certified statement by the exporter of the goods is at present required for the purpose of levying duty. Neither Form A nor Form B is therefore applicable.

Difficulties of Parts of Empire basing Duty on "Invoice Price."

3. In the case of all Dominions (except, as pointed out above, the Irish Free State) import duties are calculated on the "current domestic value"—*i.e.*, the value in the country of production of similar goods sold for consumption in that country. It was therefore necessary that the invoice and certificate should make provision for the inclusion of full particulars regarding the "current domestic value" as well as the actual "invoice price" of the goods. In the case of the colonies and protectorates there is no such uniformity of policy. Some of them follow the example of the Dominions and base their duties on the "current domestic value," whilst others levy duties on the "invoice price" itself.

To meet the difficulties of the latter a suggestion was made by the Colonial Office on the 25th April, 1923, to the various parts of the Empire levying duty on such a basis that they should consider the possibility of adopting an abbreviated form of invoice and certificate which omitted all references to "current domestic value." Since the date of the Colonial Office despatch referred to further amendments, to meet the requirements of the West African colonies, have been made in the form for use by such parts of the Empire, and the form of invoice and certificate now proposed is set out as Appendix II to this memorandum. If this proposal is generally adopted it will result in there being only two forms of invoice and certificate in use throughout the Empire where a certified statement by the exporter of the goods is required for the purposes of levying duty.

Dominions and Colonies not Granting Preference.

4. In the case of Dominions and colonies not giving preference to British goods owing to treaty obstacles or on other grounds, the invoice and certificate referred to can in ordinary circumstances still be used. No certificate of British origin is, of course, required in such cases, and therefore only the respective invoice and the first part (dealing with "value") of the respective certificate are required. Where duty is based on "current domestic value" the relevant parts of Form A should be used. Where duty is based on "invoice price" the relevant parts of Form B should be used.