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**1 ARTICLE 7**

**1.1 Text of Article 7**

1. If the customs value of the imported goods cannot be determined under the provisions of Articles 1 through 6, inclusive, the customs value shall be determined using reasonable means consistent w

2. The methods of valuation to be employed under Article 7 should be those laid down in Articles 1 through 6 but a reasonable flexibility in the application of such methods would be in conformity with the aims and provisions of Article 7.

3. Some examples of reasonable flexibility are as follows:

- (a) *Identical goods* - the requirement that the identical goods should be exported at or about the same time as the goods being valued could be flexibly interpreted; identical imported goods produced in a country other than the country of exportation of the goods being valued could be the basis for customs valuation; customs values of identical imported goods already determined under the provisions of Articles 5 and 6 could be used.
- (b) *Similar goods* - the requirement that the similar goods should be exported at or about the same time as the goods being valued could be flexibly interpreted; similar imported goods produced in a country other than the country of exportation of the goods being valued could be the basis for customs valuation; customs values of similar imported goods already determined under the provisions of Articles 5 and 6 could be used.
- (c) e.





price; or the goods are not imported into Colombian customs territory at all. In practice, this results in a system in which customs duties and sales tax are never levied on the basis of a value lower than the one provided by the indicative price. For this reason, the Panel concludes that indicative prices amount to 'minimum prices' and, therefore, finds that ... as well as the various resolutions establishing indicative prices which mandate the use of indicative prices for customs valuation purposes are also inconsistent with Article 7.2(f) of the *Customs Valuation Agreement*.<sup>14</sup>

### 1.5 Article 7.3

12. Based on the text of Article 7.3, the Panel in *Thailand – Cigarettes (Philippines)* observed that the customs authority must inform the importer of the customs value determined and the method used under Article 7 to determine such value when there is a request from an importer. The Panel further clarified that the content of the information to be provided under Article 7.3 needs to be specific and elaborative on the method chosen as well as the application of that method to derive at the final customs value. The Panel stated that:

"We observe that the obligation to inform the customs value determined under the provisions of Article 7.3 and the method used to determine such value can be compared to the obligation under Article 16 to provide an explanation as to how the customs value was determined. We clarified above that the explanation to be provided under Article 7.3 (n)9.3 (e)]T0 Tc 0 Tw ( t)-2 ()8.3 ( ap)-4.6 (p)-4.7 (l)-7 (i)-(n)-3 79