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Committee on Customs Valuation

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**NOTIFICATION UNDER ARTICLE 22 OF AGREEMENT ON IMPLEMENTATION  
OF ARTICLE VII OF THE GENERAL AGREEMENT  
ON TARIFFS AND TRADE 1994**

REPLIES FROM MONGOLIA TO QUESTIONS FROM THE EUROPEAN UNION  
REGARDING DOCUMENT G/VAL/N/1/MNG/1

MONGOLIA

The following communication, dated 23 May 2023, is being circulated at the request of the delegation of Mongolia.

**Question 1**

Articles 11 and 12 of the Law of Mongolia on Customs Tariffs and Customs Duties provide that the prices of "goods imported by foreign investment" and "large-scale maintenance equipment" cannot be used under the transaction value of identical and similar goods methods. Could Mongolia please elaborate on how this is consistent with Articles 2 and 3 of the Agreement?

**Response**

Articles 11 and 12 of the Law of Mongolia on Customs Tariffs and Customs Duties state that *"the determination of transaction value by the transaction value method for identical and similar goods is based on the transaction value of the identical and similar goods imported at the same commercial level and in approximate the same quantities"*.

Article 2.1(A) and Article 3.1(A) of the Agreement on Implementation of Article VII of the GATT 1994 states that *"if the customs value of an imported item cannot be determined in accordance with Articles 1 and 2, then the customs value shall be the transaction value of identical goods sold for export to the same country of importation and exported at or about the same time as the goods being valued"*.

In addition, Notes to Article 2 and Article 3 of the Interpretative notes of the said Agreement states that *"the customs administration shall, wherever possible, use a sale of similar and identical goods at the same commercial level and in substantially the same quantities as the goods being valued"*.

Consequently, "goods imported by foreign investment" and "large-scale maintenance equipment" specified in Articles 11 and 12 of the Law of Mongolia on Customs Tariffs and Customs Duties do not meet the conditions of "export to the country of importation" and, therefore, they comply with Articles 2 and 3 of the Agreement on Implementation of Article VII of the GATT 1994 and Interpretative Notes.

**Question 2**

Article 15 of the Law of Mongolia on Customs Tariffs and Customs Duties provides the use of "statistical data and price breakdown tariffs for public use" and "average price indicators timely established with regard to goods declared to Customs" under the fall-back method. Could Mongolia please elaborate on how this is consistent with Article 7 of the Agreement?

**Response**

Article 7 of the Agreement states that *"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 with the principles and general provisions of this Agreement and of Article VII of GATT 1994 and on the basis of data available in the country of importation"*.

According to Article 15.2.2 of Law of Mongolia on Customs Tariffs and Customs Duties, statistical data and price breakdown tariffs for public use and average price indicators timely established with regard to goods declared to Customs office are applied.

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