

**TRANSITIONAL REVIEW UNDER ARTICLE 18 OF THE PROTOCOL OF
ACCESSION OF THE PEOPLE'S REPUBLIC OF CHINA**

Information Required in Annex 1A

Communication from the People's Republic of China

The following communication, dated 21 October 2004, has been received from the Delegation of the People's Republic of China.

(a) the use of valuation methods, other than the stated transaction value

I. Valuation legislation

The Regulations on Import and Export Tariff of the People's Republic of China was amended by the State Council of the People's Republic of China on October 29, 2003, and entered into force as of January 1, 2004. Some of the framework and expression regarding customs valuation in the Regulations has been restructured and revised, which is now completely consistent with the principles and procedures set forth in the Agreement on Customs Valuation.

II. Implementation

Since its accession, China has been fulfilling its commitments in a faithful manner and abided by the Agreements strictly. 98-6% of the customs value were determined by applying transaction value in the period from January to August of this year. In the cases where the declared value cannot be accepted as customs value, China customs appraising officers determine the customs value strictly in accordance with the principles and provisions set forth in the Agreement.
