I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EEC) No 1224/80
of 28 May 1980
on the valuation of goods for customs purposes

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 113 thereof,

Having regard to the proposal from the Commission,

Whereas, on 27 June 1968, the Council adopted Regulation (EEC) No 803/68 on the valuation of goods for customs purposes [1];

Whereas, since then, in its Decision 80/271/EEC of 10 December 1979 concerning the conclusion of the Multilateral Agreements resulting from the 1973 to 1979 trade negotiations, the Council approved in particular, on behalf of the European Economic Community, the 'Agreement on implementation of Article VII of the General Agreement on tariffs and trade' [2];

Whereas that Agreement lays down rules for facilitating international trade by removing barriers to such trade arising from the application of different methods of customs valuation; whereas its aim is, in particular, to pursue the objectives of the General Agreement on tariffs and trade (GATT) and to ensure that developing countries enjoy additional advantages in international trade; whereas, where possible, it introduces the transaction value as the basis for the customs valuation of goods;

Whereas that Agreement will enter into force on 1 January 1981; whereas, however, the Community holds the view that it should be implemented from 1 July 1980;

Whereas the Community, in accepting the Agreement, has placed itself under an obligation to ensure, not later than the date of entry into force of the Agreement for the Community, that its rules concerning customs valuation conform with the provisions of the Agreement;

Whereas, to this end, the customs valuation system introduced by Regulation (EEC) No 803/68 and currently in force should be amended; whereas that Regulation was intended to ensure uniform application of the Common Customs Tariff and equal treatment of Community importers; whereas the objective of this Regulation is to foster world trade by introducing a fair, uniform and neutral system of customs valuation excluding the use of arbitrary or fictitious customs values; whereas, therefore, the customs value must be determined in accordance with criteria which are compatible with trade practice; whereas, in particular, the basis for customs valuation of goods will, as a general rule, be the transaction value defined in Article 3 of this Regulation;

Whereas, however, certain transitional measures must be laid down in the case of goods the customs value of which must be determined prior to the date of entry into force of the abovementioned Agreement;

Whereas it is necessary to guarantee that this Regulation applies uniformly to imports off all goods and, therefore, to lay down a Community procedure which will enable the detailed rules for its implementation to be adopted within an appropriate period;

Whereas it is, therefore, desirable that a committee be set up to organize close and effective collaboration between the Member States and the Commission in this area,

---

[1] OJ No L 148, 28. 6. 1968, p. 6.
[2] OJ No L 71, 17. 3. 1980, p. 1.

HAS ADOPTED THIS REGULATION :

TITLE 1

Article 1

1. In this Regulation :

(a) 'customs value' means value for the purpose of applying the Common Customs Tariff ;

(b) 'produced' includes grown, manufactured and mined ;

(c) 'identical goods' means goods produced in the same country which are the same in all respects, including physical characteristics, quality and reputation. Minor differences in appearance shall not preclude goods otherwise conforming to the definition from being regarded as identical ;

(d) 'similar goods' means goods produced in the same country which, although not alike in all respects, have like characteristics and like component materials which enable them to perform the same functions and to be commercially interchangeable ; the quality of the goods, their reputation and the existence of a trademark are among the factors to be considered in determining whether goods are similar ;

(e) 'identical goods' and 'similar goods', as the case may be, do not include goods which incorporate or reflect engineering, development, artwork, design work, and plans and sketches for which no adjustment has been made under Article 8 (1) (b) (iv) because such elements were undertaken in the Community ;

(f) 'goods of the same class or kind' means goods which fall within a group or range of goods produced by a particular industry or industry sector, and includes identical or similar goods ;

(g) 'the material time for valuation for customs purposes' means :

(i) for goods declared for direct entry into free circulation, the date of acceptance by the customs authorities of the declarant's statement of his intention that the goods should enter into free circulation,

(ii) for goods which, after another customs procedure has been applied, enter into free circulation, the time fixed by acts of the Council or the Commission pertaining to that customs procedure or by Member States in accordance with such acts ;

(h) 'the Agreement' means the Agreement on implementation of Article VII of the General Agreement on tariffs and trade concluded in the framework of the multilateral trade negotiations of 1973 to 1979.

2. For the purposes of this Regulation, persons shall be deemed to be related only if :

(a) they are officers or directors of one another's businesses ;

(b) they are legally recognized partners in business ;

(c) they are employer and employee ;

(d) any person directly or indirectly owns, controls or holds 5 % or more of the outstanding voting stock or shares of both of them ;

(e) one of them directly or indirectly controls the other ;

(f) both of them are directly or indirectly controlled by a third person ;

(g) together they directly or indirectly control a third person ; or

(h) they are members of the same family.

3. For the purpose of this Regulation, persons who are associated in business with one another in that one is the sole agent, sole distributor or sole concessionaire, however described, of the other shall be deemed to be related only if they fall within the criteria of paragraph 2.

4. For the purposes of this Regulation, the term 'persons' means natural or legal persons.

Article 2

1. The customs value of imported goods is to be determined under Article 3 whenever the conditions prescribed therein are fulfilled.

2. Where such value cannot be determined under Article 3, it is to be determined by proceeding sequentially through Articles 4, 5, 6 and 7 to the first such Article under which it can be determined, subject to the proviso that the order of application of Articles 6 and 7 shall be reversed if the importer so requests ; it is only when such value cannot be determined under a particular Article that the provisions of the next Article in a sequence established by virtue of this paragraph can be applied.

3. Where the customs value of imported goods cannot be determined under Article 3, 4, 5, 6 or 7, it shall be determined using reasonable means consistent with the principles and general provisions of the Agreement and of Article VII of the General Agreement on tariffs and trade and on the basis of data available in the Community.

4. No customs value shall be determined under paragraph 3 on the basis of :

(a) the selling price in the Community of goods produced in the Community ;

(b) a system which provides for the acceptance for customs purposes of the higher of two alternative values ;

(c) the price of goods on the domestic market of the country of exportation ;

(d) the cost of production, other than computed values which have been determined for identical or similar goods in accordance with Article 7 ;

(e) prices for export to a country not comprised in the customs territory of the Community ;

(f) minimum customs values ; or

(g) arbitrary or fictitious values.

Article 3

1. The customs value of imported goods determined under this Article shall be the transaction value, that is, the price actually paid or payable for the goods when sold for export to the customs territory of the Community, adjusted in accordance with Article 8, provided :

(a) that there are no restrictions as to the disposition or use of the goods by the buyer, other than restrictions which :

(i) are imposed or required by law or by the public authorities in the Community,

(ii) limit the geographical area in which the goods may be resold, or

(iii) do not substantially affect the value of the goods ;

(b) that the sale or price is not subject to some condition or consideration for which a value cannot be determined with respect to the goods being valued ;

(c) that no part of the proceeds of any subsequent resale, disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with Article 8 ; and

(d) that the buyer and seller are not related, or, where the buyer and seller are related, that the transaction value is acceptable for customs purposes under paragraph 2.

2. (a) In determining whether the transaction value is acceptable for the purposes of paragraph 1, the fact that the buyer and the seller are related within the meaning of Article 1 shall not in itself be grounds for regarding the transaction value as unacceptable. Where necessary, the circumstances surrounding the sale shall be examined and the transaction value shall be accepted provided that the relationship did not influence the price. If, in the light of information provided by the importer or otherwise, the customs administration has grounds for considering that the relationship influenced the price, it shall communicate its grounds to the importer and he shall be given a reasonable opportunity to respond. If the importer so requests, the communication of the grounds shall be in writing.

(b) In a sale between related persons, the transaction value shall be accepted and the goods valued in accordance with paragraph 1 whenever the importer demonstrates that such value closely approximates to one of the following occurring at or about the same time :

(i) the transaction value in sales, between buyers and sellers who are not related in any particular case, of identical or similar goods for export to the Community ;

(ii) the customs value of identical or similar goods, as determined under Article 6 ;

(iii) the customs value of identical or similar goods, as determined under Article 7 ;

(iv) the transaction value in sales, between buyers and sellers who are not related in any particular case, for export to the Community of goods which would be identical to the imported goods except for having a different country of production provided that the sellers in any two transactions being compared are not related.

In applying the foregoing tests, due account shall be taken of demonstrated differences in commercial levels, quantity levels, the elements enumerated in Article 8 and costs incurred by the seller in sales in which he and the buyer are not related that are not incurred by the seller in sales in which he and the buyer are related.

(c) The tests set forth in paragraph 2 (b) are to be used at the initiative of the importer and only for comparison purposes. Substitute values may not be established under the said paragraph 2 (b).

3. (a) The price actually paid or payable is the total payment made or to be made by the buyer to or for the benefit of the seller for the imported goods. The payment need not necessarily take the form of a transfer of money. Payment may be made by way of letters of credit or negotiable instruments and may be made directly or indirectly.

(b) Activities, including marketing activities, undertaken by the buyer on his own account, other than those for which an adjustment is provided in Article 8, are not considered to be an indirect payment to the seller, even though they might be regarded as of benefit to the seller or have been undertaken by agreement with the seller, and their cost shall not be added to the price actually paid or payable in determining the customs value of imported goods.

4. The customs value of imported goods shall not include the following charges or costs, provided that they are distinguished from the price actually paid or payable for the imported goods :

(a) charges for construction, erection, assembly, maintenance or technical assistance, undertaken after importation on imported goods such as industrial plant, machinery or equipment ;

(b) customs duties and other taxes payable in the Community by reason of the importation or sale of the goods.

Article 4

1. (a) The customs value of imported goods determined under this Article shall be the transaction value of identical goods sold for export to the Community and exported at or about the same time as the goods being valued.

(b) In applying this Article, the transaction value of identical goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the customs value. Where no such sale is found, the transaction value of identical goods sold at a different commercial level and/or in different quantities, adjusted to take account of differences attributable to commercial level and/or to quantity, shall be used, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustment, whether the adjustment leads to an increase or a decrease in the value.

2. Where the costs and charges referred to in Article 8 (1) (e) are included in the transaction value, an adjustment shall be made to take account of significant differences in such costs and charges between the imported goods and the identical goods in question arising from differences in distances and modes of transport.

3. If, in applying this Article, more than one transaction value of identical goods is found, the lowest such value shall be used to determine the customs value of the imported goods.

4. In applying this Article, a transaction value for goods produced by a different person shall be taken into account only when no transaction value can be found under paragraph 1 for identical goods produced by the same person as the goods being valued.

5. For the purposes of this Article, the transaction value of identical imported goods means a customs value previously determined under Article 3, adjusted as provided for in paragraphs 1 (b) and 2 of this Article.

Article 5

1. (a) The customs value of imported goods determined under this Article shall be the transaction value of similar goods sold for export to the Community and exported at or about the same time as the goods being valued.

(b) In applying this Article, the transaction value of similar goods in a sale at the same commercial level and in substantially the same quantity as the goods being valued shall be used to determine the customs value. Where no such sale is found, the transaction value of similar goods sold at a different commercial level and/or in different quantities, adjusted to take account of differences attributable to commercial level and/or to quantity, shall be used, provided that such adjustments can be made on the basis of demonstrated evidence which clearly establishes the reasonableness and accuracy of the adjustment, whether the adjustment leads to an increase or a decrease in the value.

2. Where the costs and charges referred to in Article 8 (1) (e) are included in the transaction value, an adjustment shall be made to take account of significant differences in such costs and charges between the imported goods and the similar goods in question arising from differences in distances and modes of transport.

3. If, in applying this Article, more than one transaction value of similar goods is found, the lowest such value shall be used to determine the customs value of the imported goods.

4. In applying this Article, a transaction value for goods produced by a different person shall be taken into account only when no transaction value can be found under paragraph 1 for similar goods produced by the same person as the goods being valued.

5. For the purposes of this Article, the transaction value of similar imported goods means a customs value previously determined under Article 3, adjusted as provided for in paragraphs 1 (b) and 2 of this Article.

Article 6

1. (a) If the imported goods or identical or similar imported goods are sold in the Community in the condition as imported, the customs value of imported goods, determined under this Article, shall be based on the unit price at which the imported goods or identical or similar imported goods are so sold in the greatest aggregate quantity, at or about the time of the importation of the goods being valued, to persons who are not related to the persons from whom they buy such goods, subject to deductions for the following :

(i) either the commissions usually paid or agreed to be paid or the additions usually made for profit and general expenses (including the direct and indirect costs of marketing the goods in question) in connection with sales in the Community of imported goods of the same class or kind ;

(ii) the usual costs of transport and insurance and associated costs incurred within the Community ; and

(iii) the customs duties and other taxes payable in the Community by reason of the importation or sale of the goods.

(b) If neither the imported goods nor identical nor similar imported goods are sold at or about the time of importation of the goods being valued, the customs value of imported goods determined under this Article shall, subject otherwise to the provisions of paragraph 1 (a), be based on the unit price at which the imported goods or identical or similar imported goods are sold in the Community in the condition as imported at the earliest date after the importation of goods being valued but before the expiration of 90 days after such importation.

2. If neither the imported goods nor identical nor similar imported goods are sold in the Community in the condition as imported, then, if the importer so requests, the customs value shall be based on the unit price at which the imported goods, after further processing, are sold in the greatest aggregate quantity to persons in the Community who are not related to the persons from whom they buy such goods, due allowance being made for the value added by such processing and the deductions provided for in paragraph 1 (a).

3. In this Article, the unit price at which imported goods are sold in the greatest aggregate quantity is the price at which the greatest number of units is sold in sales to persons who are not related to the persons from whom they buy such goods at the first commercial level after importation at which such sales take place.

4. Any sale in the Community to a person who supplies directly or indirectly free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods any of the elements specified in Article 8 (1) (b), should not be taken into account in establishing the unit price for the purposes of this Article.

5. For the purposes of paragraph 1 (b), the 'earliest date' shall be the date by which sales of the imported goods or of identical or similar imported goods are made in sufficient quantity to establish the unit price.

Article 7

1. The customs value of imported goods determinded under this Article shall be based on a computed value. Computed value shall consist of the sum of :

(a) the cost or value of materials and fabrication or other processing employed in producing the imported goods ;

(b) an amount for profit and general expenses equal to that usually reflected in sales of goods of the same class or kind as the goods being valued which are made by producers in the country of exportation for export to the Community ;

(c) the cost or value of the items referred to in Article 8 (1) (e).

2. A customs administration may not require or compel any person not resident in the Community to produce for examination, or to allow access to, any account or other record for the purposes of determining a computed value. However, information supplied by the producer of the goods for the

purposes of determining the customs value under this Article may be verified in a non-Community country by the customs authorities of a Member State with the agreement of the producer and provided that such authorities give sufficient advance notice to the government of the country in question and the latter does not object to the investigation.

3. The cost or value of materials and fabrication referred to in paragraph 1 (a) above shall include the cost of elements specified in Article 8 (1) (a) (ii) and (iii). It shall also include the value, duly apportioned, of any element specified in Article 8 (1) (b) which has been supplied directly or indirectly by the buyer for use in connection with the production of the imported goods. The value of the elements specified in Article 8 (1) (b) (iv) which are undertaken in the Community shall be included only to the extent that such elements are charged to the producer.

4. Where information other than that supplied by or on behalf of the producer is used for the purposes of determining a computed value, the customs authorities shall inform the importer, if the latter so request, of the source of such information, the data, subject to Article 10.

5. The 'general expenses' referred to in paragraph 1 (b), above, cover the direct and indirect costs of producing and selling the goods for export which are not included under paragraph 1 (a).

Article 8

1. In determining the customs value under Article 3, there shall be added to the price actually paid or payable for the imported goods :

(a) the following, to the extent that they are incurred by the buyer but are not included in the price actually paid or payable for the goods :
  (i) commission and brokerage, except buying commissions,
  (ii) the cost of containers which are treated as being one for customs purposes with the goods in question,
  (iii) the cost of packing, whether for labour or materials ;

(b) the value, apportioned as appropriate, of the following goods and services where supplied directly or indirectly by the buyer free of charge or at reduced cost for use in connection with the production and sale for export of the imported goods, to the extent that such value has not been included in the price actually paid or payable :
  (i) materials, components, parts and similar items incorporated in the imported goods,
  (ii) tools, dies, moulds and similar items used in the production of the imported goods,
  (iii) materials consumed in the production of the imported goods,
  (iv) engineering, development, artwork, design work, and plans and sketches undertaken elsewhere than in the Community and necessary for the production of the imported goods ;

(c) royalties and licence fees related to the goods being valued that the buyer must pay, either directly or indirectly, as a conditions of sale of the goods being valued, to the extent that such royalties and fees are not included in the price actually paid or payable ;

(d) the value of any part of the proceeds of any subsequent resale, disposal or use of the imported goods that accrues directly or indirectly to the seller ;

(e) (i) the cost of transport and insurance of the imported goods, and
  (ii) loading and handling charges associated with the transport of the imported goods to the place of introduction of the goods into the customs territory of the Community.

2. Additions to the price actually paid or payable shall be made under this Article only on the basis of objective and quantifiable data.

3. No additions shall be made to the price actually paid or payable in determining the customs value except as provided in this Article.

4. In this Article, the term 'buying commissions' means fees paid by an importer to his agent for the service of representing him in the purchase of the goods being valued.

5. Notwithstanding paragraph 1 (c) of this Article :

(a) charges for the right to reproduce the imported goods in the Community shall not be added to the price actually paid or payable for the imported goods in determining the customs value ; and

(b) payments made by the buyer for the right to distribute or resell the imported goods shall not be added to the price actually paid or payable for the imported goods if such payments are not a condition of the sale for export to the Community of the goods.

Article 9

1. (a) Where factors used to determine the value for customs purposes of goods are expressed in a currency other than that of the Member State where the valuation is made, the rate of exchange to be used shall be that duly published by the competent authorities of the Member State concerned.

(b) Such rate shall reflect as effectively as possible the current value of such currency in commercial transactions in terms of the currency of such Member State and shall apply during such period as may be specified by the aforementioned competent authorities.

2. (a) Until such time as a rate of exchange is published in accordance with paragraph 1, the rate of exchange to be used shall be the latest selling rate recorded on the most representative exchange market or markets of the Member State concerned at the material time for valuation for customs purposes.

(b) Where such a rate does not exist, the rate of exchange to be used shall be determined by the procedure laid down in Article 19.

Article 10

1. With a view to determining value for customs purposes and without prejudice to national provisions which confer wider powers on the customs authorities of Member States, any person or undertaking directly or indirectly concerned with the import transactions in question shall supply all necessary information and documents to those authorities within the time limits prescribed by the latter.

2. All information which is by nature confidential or which is provided on a confidential basis for the purposes of customs valuation shall be treated as strictly confidential by the authorities concerned who shall not disclose it without the specific permission of the person or government providing such information, except to the Commission or to the extent that it may be required to be disclosed in the context of judicial proceedings.

3. Information and documents supplied to the Commission by a Member State pursuant to paragraph 2 may be used by the Commission only for the purpose for which they were supplied. They shall be subject to professional secrecy and in particular may not be communicated to persons other than those who, within the institutions of the Communities or the Member States, are required to have access to them by virtue of the functions they exercise.

Article 11

If, in the course of determining the customs value of imported goods, it becomes necessary to delay the final determination of such customs value, the importer shall nevertheless be able to withdraw his goods from customs if, where so required, he provides sufficient guarantee in the form of a surety, a deposit or some other appropriate instrument, covering the ultimate payment of customs duties for which the goods may be liable.

Article 12

1. Upon written request, the importer shall have the right to an explanation in writing from the customs administration of the country of importation as to how the customs value of his imported goods was determined.

2. Requests for an explanation under paragraph 1 of this Article shall be introduced no later than one month after the date when the customs value is determined in accordance with this Regulation.

3. Where, under national procedures, the importer is provided with the explanation referred to in paragraph 1 without his having made a written request, the requirements of this Article shall be deemed to have been fulfilled.

Article 13

In so far as Community provisions laying down procedures for the settlement of disputes concerning customs matters have not been adopted, the relevant provisions laid down by law, regulation or administrative action of Member States shall remain applicable.

Neither the request nor the explanation referred to in Article 12 shall constitute acts capable as such of activating procedures for the settlement of disputes or judicial or administrative procedures within the meaning of the said national provisions.

Article 14

1. For the purposes of Article 8 (1) (e) and Article 15, the place of introduction into the customs territory of the Community shall be :

(a) for goods carried by sea, the port of unloading, or the port of transhipment, subject to transhipment being certified by the customs authorities of that port ;

(b) for goods carried by sea and then, without transhipment, by inland waterway, the first port where unloading can take place either at the mouth of the river or canal or further inland, subject to proof being furnished to the customs authorities that the freight to the port of unloading is higher than that to the first port ;

(c) for goods carried by rail, inland waterway, or road, the place where the first customs office is situated ;

(d) for goods carried by other means, the place where the land frontier of the customs territory of the Community is crossed.

2. For goods introduced into the customs territory of the Community and then carried to a destination in another part of that territory through the territory of a third country or by sea, after passing through a part of the customs territory of the Community, the place of introduction into the Community to be taken into consideration shall, subject to paragraph 3, be determined in accordance with the procedure laid down in Article 19.

3. For goods introduced into the customs territory of the Community and carried directly from one of the French overseas departments or Greenland to another part of the customs territory of the Community or vice versa, the place of introduction to be taken into consideration shall be the place referred to in paragraphs 1 and 2 situated in that part of the customs territory of the Community from which the goods came, if they were unloaded or transhipped there and this was certified by the customs authorities.

When those conditions are not fulfilled, the place of introduction to be taken into consideration shall be the place specified in paragraphs 1 and 2 situated in that part of the customs territory of the Community to which the goods are consigned.

Article 15

1. The customs value of imported goods shall not include the cost of transport after importation into the customs territory of the Community provided that such cost is distinguished from the price actually paid or payable for the imported goods.

2. (a) Where goods are carried by the same means of transport to a point beyond the place of introduction into the customs territory of the Community, transport costs shall be assessed in proportion to the distance covered outside and inside the customs territory of the Community, unless evidence is produced to the customs authorities to show the costs that would have been incurred under a general compulsory schedule of freight rates for the carriage of the goods to the place of introduction into the customs territory of the Community.

The preceding subparagraph shall not apply to goods sent by post. Special provisions may be adopted for such goods in accordance with the procedure laid down in Article 19, in view of the special nature of charges in international postal services.

(b) Where goods are invoiced at a uniform free domicile price which corresponds to the price at the place of introduction, transport costs within the Community shall not be deducted from that price. However, such deduction shall be allowed if evidence is produced to the customs authorities that the free-frontier price would be lower than the uniform free domicile price.

(c) Where transport is free or provided by the buyer, transport costs to the place of introduction, calculated in accordance with the schedule of freight rates normally applied for the same modes of transport, shall be included in the customs value.

Article 16

The particulars and documents to be furnished to the customs authorities for the purposes of application of this Regulation shall, where necessary, be determined in accordance with the procedure laid down in Article 19.

TITLE II

Article 17

1. A Customs Valuation Committee (hereinafter called 'the Committee') shall be set up and shall consist of representatives of the Member States with a representative of the Commission as chairman.

2. The Committee shall draw up its own rules of procedure.

Article 18

The Committee may examine :

(a) all questions relating to the application of this Regulation ; and

(b) all questions relating to the work of the Technical Committee on Customs Valuation established under the auspices of the Customs Cooperation Council under the Agreement

referred to it by its chairman, either on his own initiative or at the request of a representative of a Member State.

Article 19

1. Provisions necessary for :

(a) the introduction into Community law of those provisions of Part I of and Annex I to the Agreement which are not reflected in this Regulation, in so far as they do not include amendments to Council acts ; and

(b) the implementation of the provisions of Title I of this Regulation, other than those contained in Articles 12 and 13

shall be adopted in accordance with the procedure laid down in paragraphs 2 and 3.

2. The representative of the Commission shall submit to the Committee a draft of the provisions to be adopted. The Committee shall deliver an opinion on the draft within a time limit set by the chairman having regard to the urgency of the matter. Decisions shall be taken by a majority of 41 votes, the votes of Member States being weighted as provided in Article 148 (2) of the Treaty. The chairman shall not vote.

3. (a) The Commission shall adopt the provisions envisaged if they are in accordance with the opinion of the Committee.

(b) If the provisions envisaged are not in accordance with the opinion of the Committee, or if no opinion is delivered, the Commission shall without delay submit to the Council a proposal with regard to the provisions to be adopted. The Council shall act by a qualified majority.

(c) If, within three months of the proposal being submitted to it, the Council has not acted, the proposed provisions shall be adopted by the Commission.

TITLE III

Article 20

The provisions of this Regulation shall not affect the provisions contained in acts of the Council or of the Commission, or laid down by Member States in accordance with such acts, regarding the determination of the value for customs purposes of goods which enter into free circulation after a customs procedure other than that relating to direct entry into free circulation has been applied.

Article 21

Each Member State shall inform the Commission of the provisions it adopts for the application of this Regulation. The Commission shall communicate this information to the other Member States.

Article 22

1. This Regulation shall come into force on 1 July 1980 except for Title II which shall come into force on the day following publication of the Regulation in the *Official Journal of the European Communities.*

2. Regulation (EEC) No 803/68 shall be replaced by this Regulation. Any references to it shall be deemed to refer to this Regulation.

3. Regulation (EEC) No 803/68 shall continue to apply to goods for which the material time for valuation for customs purposes is prior to 1 July 1980.

4. The validity of regulations adopted pursuant to Regulation (EEC) No 803/68 may be extended as a transitional measure beyond 30 June 1980 under the procedure in Article 19. Such extension shall not, however, exceed six months.

5. The laws, regulations and administrative provisions of the Member States laying down simplified procedures for determining the customs value of certain perishable goods shall continue to apply until 31 December 1980.

Acting on a proposal from the Commission, the Council will adopt Community provisions on these procedures before 1 January 1981.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 28 May 1980.

For the Council

The President

G. MARCORA