



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

NR0168E1

-
24th Session
-

O. Eng.

Brussels, 9 July 2001.

DECISIONS TAKEN BY THE HARMONIZED SYSTEM COMMITTEE
AT ITS 27TH SESSION AFFECTING THE WORK OF THE REVIEW SUB-COMMITTEE
(Item II.2 on Agenda)

Reference documents :

NR0165E2 (RSC/23 - Report)
NC0430E2 (HSC/27 – Report)

I. SECRETARIAT COMMENTS

1. To facilitate the work of the Review Sub-Committee, the Secretariat, in this document, presents a brief account of the decisions taken by the Committee at its 27th Session and pending questions, affecting the work of the Review Sub-Committee.

II. DECISIONS OF THE COMMITTEE (HSC/27)

2. The conclusions reached by the Committee at its 27th Session, as set out in Annexes C/2 and F to Doc. NC0430E2, are as follows :

Speeding up the HS review process (Annex C/2)

3. The Chairman concurred that the difficulty of this issue really lay in the need to strike a balance among different groups of users of the Harmonized System. He put forward two questions to the Committee :
 - Could the current HS review cycle of five years, which had been approved by the Council last year, be shortened ?
 - Could the future HS review cycles be shortened ?
4. A number of delegates spoke in favour of maintaining the five-year period for the current review cycle. While recognising the need to speed up the HS review process, the Committee felt strongly that it would not be possible to shorten the current review cycle, especially in light of its extensive nature and the fact that it was still in its embryonic stage. The Committee's attention was drawn to the wide range of difficulties involved at national

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level, as analysed in the working document, including the need for domestic consultation, co-ordination with other trade policy instruments and extensive work in preparation for implementation. It was also stressed that shortening the current review cycle might create problems regarding international harmonization if different versions of the HS were in use.

5. With regard to future review cycles, although the view was expressed that four years might be aimed at, the Committee was of the opinion that it would be premature to make a decision at this time. The amount of time needed for future review cycles would depend on the depth of those cycles and should be established in a flexible manner.
6. Given the views expressed above, the Chairman concluded that there would be no need to amend the HS Convention in the future to shorten the implementation period, referred to in Article 16 of the Convention.
7. The Observer from the International Chamber of Commerce suggested that the working document be presented at the next Open Day for Trade event of the WCO, with a view to enhancing the understanding of the complexities of the HS review process by the trade, which had previously expressed a strong sentiment that the HS review process needed to be expedited.

Review of the HS Explanatory Notes by the Review Sub-Committee (Annex F)

8. The Committee took note of the conclusions of the Review Sub-Committee on the HS Explanatory Notes work plan and the 3rd HS Review Cycle.
9. With regard to the 3rd HS Review Cycle, the Chairman again reminded delegates that there were only six sessions of the Review Sub-Committee left to meet the deadline of completing the review work by the Spring of 2004 and requested them to submit proposals as early as possible.

Technical questions (Annex F)

Possible amendments to Note 1 (c) to Chapter 41 regarding hides and skins of camels

10. The Committee provisionally adopted the texts approved by the Sub-Committee, and took note of the correlation tables prepared by the Secretariat.
11. The relevant transfers, in the view of the Secretariat, could be presented in the following way :

HS 2007	HS 2002	Observations
4103.90	4103.90 ex 4301.80 ex 4301.90	Raw hides and skins of camels (including dromedaries) have been added to the exclusions in Note 1 (c) to Chapter 41.
4301.80	ex 4301.80	
4301.90	ex 4301.90	

HS 2002	HS 2007
4103.90	ex 4103.90
4301.80	ex 4103.90 ex 4301.80
4301.90	ex 4103.90 ex 4301.90

12. The Committee provisionally adopted the amendments set out in Annexes P/3 and Q/20 to Doc. NC0430B2.

Amendment of the text of subheading 9021.10 in order to align the French and English versions

13. The Committee examined the texts presented by the Review Sub-Committee aimed at aligning the legal texts of heading 90.21 and subheading 9021.10 in the French and English versions.
14. Some delegates felt that there was a lack of alignment between the two versions and proposed, firstly, that the terms “articles and” be added to the English text given that it currently only referred to “appliances” and, secondly, that the French text of subheading 9021.10 refer to “Articles et appareils d’orthopédie ou pour fractures”.
15. Other delegates pointed out that the English text should not be amended, as the insertion of a new term might be interpreted as an extension of the scope of heading 90.21. A consultation concerning this matter between various English speaking countries took place.
16. Following that consultation, the Committee finally provisionally adopted the proposed amendment to the French text of subheading 9021.10, but decided to leave the English text unchanged agreeing that, in this context, the English term “appliances” corresponded to the French expression “articles et appareils”.
17. The Committee provisionally adopted the amendments set out in Annexes P/4 and Q/21 to Doc. NC0430B2.

Study with a view to amending the structure of heading 73.21

18. The Committee provisionally adopted the texts approved by the Review Sub-Committee.
19. With regard to the correlation tables presented by the Secretariat in Doc. NC0368E1, subject to certain amendments, the Committee took note of the new amended correlation tables as set out below :

HS 2007	HS 2002
7321.19	ex 7321.11 7321.13
7321.89	ex 7321.81 7321.83

HS 2002	HS 2007
7321.11	7321.11 ex 7321.19
7321.13	ex 7321.19
7321.81	7321.81 ex 7321.89
7321.83	ex 7321.89

20. The Committee provisionally adopted the amendments set out in Annexes P/5 and Q/22 to Doc. NC0430B2.

Possible amendments to the Nomenclature in order to update the terminology of certain products and to delete obsolete items

21. In respect of heading 84.69, the Committee provisionally adopted the amendments set out in Annex E/6 to Doc. NR0165B2.
22. The texts provisionally adopted are set out in Annexes P/6 and Q/23 to Doc. NC0430B2. With regard to headings 85.10, 85.20 and 85.24, see paragraph 31 below.

III. PENDING QUESTIONS

23. The Committee's observations with regard to the pending questions arising from the Report of the 23rd session of the Review Sub-Committee, as set out in Annex F to Doc. NC0430E2, are as follows :

Possible amendments to the Nomenclature regarding the classification of sauces

24. The Committee took note of the fact that this matter would be re-examined by the Review Sub-Committee at its next session on the basis of a new document to be prepared by the Secretariat (with contributions from Contracting Parties and the industry).

Proposal by Canada to amend the Nomenclature and Explanatory Notes to Chapter 54

25. The Committee took note of the fact that this matter would be re-examined by the Review Sub-Committee at its next session.

Possible amendments to the Nomenclature and Explanatory Note to heading 84.42

26. The Committee took note of the fact that the Secretariat would produce a concrete proposal, based on contributions from administrations, for heading 84.42 for the next session of the Review Sub-Committee.

Possible amendments to the Explanatory Note to heading 84.71

27. The Committee took note of the developments in the Sub-Committee and asked the Secretariat to prepare a synthesis document combining all outstanding issues for consideration by the Sub-Committee (see paragraphs 43 and 44, below).

Possible amendment of the text of heading 85.25 to clarify the classification of cameras

28. The Committee took note of the fact that this matter would be re-examined by the Review Sub-Committee at its next session on the basis of a new document to be prepared by the Secretariat.

Possible amendment of Note 5 (B) to Chapter 85

29. The Committee took note of the fact that this matter would be re-examined by the Review Sub-Committee after the examination of the classification of *SIMM* and *DIMM* modules by the Committee.

Possible amendments to the Nomenclature and Explanatory Notes to Chapter 24

30. The Committee took note of the fact that this matter would be re-examined by the Review Sub-Committee at its next session.

Possible amendments to the Nomenclature in order to update the terminology of certain products and to delete obsolete items

31. The Committee took note of the developments in the Sub-Committee in respect of headings 85.19, 85.20 and 85.24. With regard to heading 84.69, see paragraphs 21 and 22 above.

Study with a view to amending the structure of Chapter 87

32. The Committee took note of the conclusions of the Review Sub-Committee.

Proposal by the US Administration to amend the Nomenclature concerning cut flowers of heading 06.03

33. The Committee took note of the fact that this matter would be re-examined by the Review Sub-Committee at its next session.

Proposal by the US Administration to amend the Nomenclature and Explanatory Note to heading 38.21

34. The Committee took note of the fact that this matter would be re-examined by the Review Sub-Committee, following examination by the Scientific Sub-Committee at its January 2002 Session.

Proposal by the US Administration to amend the Nomenclature to Chapter 41

35. The Committee took note of the fact that this matter would be re-examined by the Review Sub-Committee at its next session on the basis of a new document to be prepared by the Secretariat.

Proposal by the US Administration to amend the Nomenclature and Explanatory Note to heading 70.13

36. The Committee took note of the fact that this matter would be re-examined by the Review Sub-Committee at its next session.

Proposal by the US Administration to amend the Nomenclature and Explanatory Note to heading 84.82

37. The Committee took note of the fact that this matter would be re-examined by the Review Sub-Committee at its next session.

Proposal by the US Administration to amend the Nomenclature and Explanatory Note to heading 85.19

38. The Committee took note of the fact that this matter would be re-examined by the Review Sub-Committee at its next session on the basis of a revised text or alternative texts prepared by the Secretariat (see also Annex D/1 to Doc. NR0165E2).

Proposal by the US Administration to amend certain subheadings of heading 87.08

39. The Committee took note of the fact that this matter would be re-examined by the Review Sub-Committee at its next session.

Proposal by the Australian Administration to amend the Nomenclature to heading 70.19 concerning glass fibres

40. The Committee took note of the fact that Australia was asked to refine its proposal before re-submitting it to the Review Sub-Committee.

41. The following questions were also referred to the Review Sub-Committee as a result of the discussions at the 27th Session of the HS Committee.

Study of possible amendments to the Nomenclature with regard to the classification of multifunctional digital copiers
(Annex H/4 to Doc. NC0430E2, HSC/27 – Report)

42. In the context of the question concerning the classification of multifunctional digital copiers, the Committee instructed the Secretariat to undertake a study with a view to determining whether an amendment could be made to the legal text in the context of the HS 2007 amendments.

Amendment of the Explanatory Note to heading 84.71 to delete certain obsolete equipment
(Annex H/7 to Doc. NC0430E2, HSC/27 – Report)

43. With a view to facilitating the ongoing discussions within the Review Sub-Committee on possible amendment of the Explanatory Note to heading 84.71, the Committee agreed to incorporate the amendments as adopted and set out in Annex Q/24 to Doc. NC0430E2 into the Sub-Committee's working document (see paragraph 27 above and paragraph 44 below).

Possible amendments of the Explanatory Note to heading 84.71 to clarify the line of demarcation between the units of heading 84.71 and accessories of heading 84.73
(Annex H/9 to Doc. NC0430E2, HSC/27 – Report).

44. To facilitate discussions and to maintain an overall view on the developments concerning the Explanatory Note to heading 84.71, the Committee agreed to send the draft amendments to the Review Sub-Committee, with a view to having them discussed with the other proposed amendments for the Explanatory Note to heading 84.71 (see paragraphs 27 and 43 above).

IV. CONCLUSION

45. The Sub-Committee is invited to take note of the decisions taken by the HSC at its 27th Session and pending questions, affecting the work of the Review Sub-Committee.
