

KACT 2022

The Harmonized System (II)

- Functions and roles of the various WCO working bodies
- Dispute settlement
- Objections and requests for re-examination
- Classification instruments and tools

Functions and roles

- WCO Council
- HS Committee
- HS Working Party
- HS Review Sub-Committee
- Scientific Sub-Committee
- WCO Secretariat

WCO Council

- Established by the CCC Convention
- Supreme decision-making body
- Convenes once per year
- Final decisions vis-à-vis:
 - Organization's work plan
 - Activities

WCO Council

Within the context of the HS:

- Examine amendments to the HS Convention
- Recommend their adoption to the Contracting Parties
- Approval of advice and recommendations

HS Committee

- Composed of representatives of Contracting Parties
- A Customs or Economic Union may become Contracting Party
- Each Contracting Party one vote
- Member States of Customs or Economic Unions may exercise together only one vote (under certain conditions)

HS Committee

- Voting:
 - Rules of Procedure: two-thirds of the votes attributed to its Members
 - Amendments to the HS Convention: two-thirds of the votes cast
 - Other decisions: by simple majority of the votes cast
- May invite intergovernmental or other international organizations
- May set up Sub-Committees or Working Parties as needed

HS Committee

Functions:

- Amendments to the Convention (including the Nomenclature)
- Explanatory Notes, Classification Opinions and other advice
- Recommendations
- Collate and circulate information
- Furnish information or guidance
- Present reports to the Council

HS Working Party

- Acts under direction of the HS Committee
- Consists of representatives of:
 - Contracting Parties
 - Other Members of the Council
 - Intergovernmental or other international organizations (subject to invitation by the SG)

HS Working Party

- Purpose:
 - Draft texts of HS Nomenclature, Explanatory Notes, Classification Opinions before final adoption by the HS Committee
 - Documents prepared by the Secretariat, incorporating comments and proposals
- Consensus and report to the HS Committee
- Differing views reported to the HS Committee

Review Sub-Committee Functions

- To pursue a review of the Harmonized System
- To propose amendments to the HS having regard, in particular, to:
 - the needs of users; and
 - changes in technology or in patterns of international trade
- To prepare, to the extent appropriate, any consequential amendments to the Explanatory Notes

RSC - Composition

- Representatives of:
 - the Contracting Parties to the HS Convention;
 - of any other Member of the Council; and
- Subject to invitation by the Secretary General, the following:
 - Representatives of States which are not Members of the Council;
 - Representatives of intergovernmental or other international organizations;
 - In consultation with the Chairman of the Sub-Committee, any experts

RSC - Consensus

- Reach a consensus on any matter examined
- Reports to the HS Committee
- No consensus: the differing views together with their supporting rationales will be reported to the Committee

Scientific Sub-Committee

- Advisory body of the Council on questions involving chemical or other scientific matters
- Also serves as a forum for the exchange of views by heads of the Customs laboratory services of Council Members
- Representation:
 - Each Member of the Council
 - Any other Contracting Party to a Convention established or administered by the Council

Scientific Sub-Committee

- Opinions on a particular Convention to be formulated only by the representatives of Contracting Parties to that Convention
- Other representatives participate in the discussion as observers only
- Agreed views on any matter examined
- Report to the Council or the relevant Committee, as appropriate
- If no agreement, the differing views together with their supporting rationales shall be reported

Scientific Sub-Committee

- Advise the HSC on classification questions involving scientific issues
- Draft legal texts and Explanatory Notes involving scientific issues at the request of the HSC or the RSC
- Carry out studies
- Forum for the exchange of views by the Customs laboratory services
- Provide guidance to the Secretariat

WCO Secretariat

- Partial application of the HS
- Convening meetings
- Deposition of the instruments of ratification or accession
- Extension to dependent territories
- Entering a request for re-examination
- Amendments recommended under Article 16
- Objections to a recommended amendment

WCO Secretariat

- Administrative support:
 - Draft agendas and time tables;
 - Working documents; and
 - Reports
- Capacity building assistance in the form of national and regional seminars and workshops
- Advice on the classification of commodities
- Publication of instruments and tools

Dispute settlement

- Collection of import duties and taxes for revenue and/or trade policy purposes
- Potential for disputes
- Article 10 HS Convention

Dispute settlement

- To be settled by negotiation between the parties
- When not possible to settle the dispute, the issue should be referred to the HSC
- To consider the dispute and to make recommendations for its settlement
- When unable to settle the dispute, it shall refer the matter to the Council to make recommendations

Objections and Requests for re-examination

- Objections:
 - Recommended amendments to the HS Convention
- Request for re-examination:
 - Explanatory Notes;
 - Classification Opinions;
 - Other advice on the interpretation of the HS; and
 - Recommendations to secure uniformity in the interpretation and application of the HS

Objections

- Any Contracting Party to the HS Convention
- Within period of six months
- May be withdrawn
- Deleted from the list
- Amendment could be “re-activated”



WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

Request for re-examination

- Request to be entered before the end of the second month following the month during which a session was closed
- Any Contracting Party
- Council shall approve, unless any Council Member requests the issue be referred to HSC
- First HSC session to re-examine and take a decision, unless circumstances require otherwise

Instruments and tools

WCO publications on Harmonized System:

- The HS Convention
- The HS Nomenclature (current and previous editions)
- Recommendations related to the HS
- Tools to assist with the classification;
- Interconnection table between the HS and international conventions

Instruments and tools

- The HS Convention:
 - Preamble
 - 20 Articles
- The HS Nomenclature – WCO Trade Tools:
 - HS 2022: Full text, list of amendments and the correlation tables between HS 2022 and HS 2017
 - HS 2017, HS 2012, HS 2007 and HS 2002: Full text, list of amendments and the correlation tables

Instruments and tools

Recommendations related to the HS

- Correct and uniform application of the HS
- CPs and Members are invited to adopt
- Non-binding
- When adopted, obligation to implement at national level
- Enacting new national legislation or amending existing law

Instruments and tools

- Interconnection table
 - Correlations between HS and selected international conventions
 - Set up in collaboration with other Secretariats
 - Does not reflect classification decisions by HSC
 - Facilitating monitoring and control

Instruments and tools

Tools to assist with classification

- Explanatory Notes
- Compendium of Classification Opinions
- Alphabetical Index
- Classification Decisions
- INN table

Instruments and tools

Explanatory Notes

- Do not form an integral part of the HS Convention
- Official interpretation of the HS at the international level
- Provide a commentary
- Subheading Explanatory Note

Instruments and tools

Compendium of Classification Opinions

- List of the most significant/difficult classification decisions
- Same status as the Explanatory Notes

Instruments and tools

Alphabetical Index

- Facilitate the location of references in:
 - HS Nomenclature
 - Explanatory Notes
- Alphabetical order

Instruments and tools

Classification Decisions

- List of decisions taken at the latest HSC session
- Full description
- Reference to HS code applicable
- Classification rational
- Advice from importing or exporting country

Instruments and tools

INN Table

- Excel spreadsheet
- Containing HS classification of INNs
- No legal or official status
- HS amendments

THAT's ALL !

(for HS part (II))

Thank you for your attention