

# 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 when
- 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

# RSC - 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”

# 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:
  - HS 2022: List of amendments (and complementary 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 (including complementary and corrigendum 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
- HS Database
- 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 rationale
- 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



# Instruments and tools

## HS Database

- Online instrument containing:
  - HS Nomenclature (various editions)
  - HS Explanatory Notes
  - Classification Opinions
  - Alphabetical Index
  - INN list
  - Amendments to the latest HS edition

# THAT'S ALL !

(for HS part (II))

**Thank you for your attention**