

GENERAL AGREEMENT ON

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TARIFFS AND TRADE

Limited Distribution

Committee on Tariff Concessions

PROCEDURES FOR CHANGES IN THE HARMONIZED SYSTEM

Note by the Secretariat

At the meeting of the Committee on Tariff Concessions on 21 May 1991, members requested the secretariat to prepare a note which would contain simplified procedures to be followed by GATT contracting parties which are also contracting parties to the International Convention on the Harmonized Commodity Description and Coding System (Harmonized System), with a view to incorporating in their GATT schedules the changes to the Harmonized System which are planned to come into force on 1 January 1992 and any changes which may be introduced in the future.

Following discussions with interested delegations, the secretariat has prepared the text in the Annex for approval by the Committee on Tariff Concessions.

ANNEX

PROCEDURES FOR CHANGES IN THE HARMONIZED SYSTEM

Contracting parties to the GATT¹ which are also contracting parties to the International Convention on the Harmonized Commodity Description and Coding System (Harmonized System), in order to keep the authentic texts of their GATT schedules up to date and in conformity with their national customs tariffs, shall follow the procedures set out below.

1. The implementation of revisions of the nomenclature of the Harmonized System adopted by the Customs Co-operation Council (CCC) shall not involve any alteration in the scope of concessions nor any increase in bound rates of duty unless their maintenance results in undue complexity in the national tariffs. In such cases the contracting parties concerned shall inform interested contracting parties of the technical difficulties in question, e.g. why it has not been possible to create a new subheading to maintain the existing concession on a product or products transferred from within one HS 6-digit heading to another.

2. No later than 120 days after the circulation by the secretariat of

(1) a communication concerning the acceptance by the CCC of a recommendation to revise the HS nomenclature made in accordance with Article 16 of the HS Convention, and

(2) correlation tables prepared by the CCC secretariat,

contracting parties shall submit to the GATT secretariat a notification which includes the pages of their loose-leaf schedules containing proposed changes. The relevant pages of the loose-leaf schedules shall be presented as follows:

(a) Items in relation to which the proposed changes do not, in the view of the contracting party in question, alter the scope of a concession (i.e. changes or other rectifications of a purely formal character), should be indicated by underlining or shading the item.

(b) Items in relation to which the proposed changes will, in the view of the contracting party in question, alter the scope of a concession (e.g. through an increase in the bound rate of duty or a change in the product description of the item) should be indicated by an asterisk. For these items, the following information shall also be submitted (in separate annexes):

(i) a concordance table between the existing and the proposed schedule;

¹Including the European Communities.

- (ii) a concordance table between the proposed and the existing schedule;
- (iii) an indication of contracting party or parties with which the existing concession was initially negotiated;
- (iv) import statistics by country of origin, for the most recent three-year period for which statistics are available (import figures for each separate year and average figures for the three-year period). If specific or mixed duties are affected, both values and volumes should be indicated, if possible.

At the same time as the notification is submitted to the secretariat, or as soon as possible thereafter, the contracting party in question should communicate to those contracting parties with which the concessions were initially negotiated and those with a principal supplying interest the compensatory adjustments which it is prepared to offer.

3. The documentation listed in paragraph 2 above should be submitted to the secretariat in 230 copies. The secretariat will distribute the documentation to all contracting parties in a secret document.

4. A proposed change in the authentic text of a GATT schedule described in paragraph 2(a) above shall be certified provided no objection has been raised by a contracting party within ninety days on the ground that the proposed change or rectification is not of a purely formal character. If such objection is raised and in the absence of agreement among the contracting parties concerned, the contracting party in question shall without delay submit to the secretariat, for circulation to all contracting parties, the documentation described in paragraph 2(b) above.

5. A proposed change in the authentic text of a GATT schedule described in paragraph 2(b) above shall be certified provided no request for negotiation or consultation under Article XXVIII has been made to the contracting party in question within ninety days following the circulation of the documentation described in paragraph 2(b) above.

6. In cases where an objection under paragraph 4 above is raised or where a request for negotiation or consultation under paragraph 5 has been made, the Procedures for Negotiations Under Article XXVIII (BISD 27S/26) shall apply. Any such objection or request shall at the same time be sent to the secretariat. After the completion of these procedures, a comprehensive list of all changes and the corresponding amended pages of the GATT schedule shall be sent to the secretariat for certification.