Amendments effective from 1 January 2017

22 January 2015

Amendments to the HS Nomenclature effective from 1 January 2017

The WCO has published the **accepted amendments to the Harmonized System (HS) Nomenclature** that will enter into force on 1 January 2017. It includes **233 sets of amendments**, divided as follows : agricultural sector 85; chemical sector 45; wood sector 13; textile sector 15; base metal sector 6; machinery sector 25; transport sector 18; other sectors 26.

Environmental and social issues of global concern are the major feature of the HS 2017 amendments. The majority of these changes to the HS have been broached by the FAO (Food and Agriculture Organization of the United Nations).

Due to the importance of the HS in the collection of trade statistics, the HS 2017 amendments for fish and fishery products are to further enhance the coverage of species and product forms which need to be monitored for food security purposes and for better management of resources. The split by more detailed product forms for crustaceans, molluscs and other invertebrates is motivated by the importance of trade and consumption of these species in the various product forms. The subdivisions enable a better correspondence between the HS and the United Nations Central Product Classification (CPC). The amendment for cuttlefishes and squids is to extend the coverage of the present codes, in order to have all those species grouped. At present, a significant share of cuttlefish and squid trade is recorded under residual codes for molluscs.

The amendment for forestry products aims at one main area : enhancement of the coverage of wood species in order to get a better picture of trade patterns, including endangered species. In particular, separating the data on tropical wood trade will both serve to focus attention on the important issue of tropical wood use and clarify data on non-tropical hardwoods. The HS 2017 amendments also include the creation of new subheadings for the monitoring and control of certain products of bamboo and rattan, requested by the International Network for Bamboo and Rattan (INBAR).

Nearly one-half of the world's population lives at risk of malaria. The HS 2017 amendment aims at detailed information for several categories of products that are used as antimalarial commodities.

The HS 2017 Edition also introduces new subheadings for specific chemicals controlled under the Chemical Weapons Convention (CWC), for certain hazardous chemicals controlled under the Rotterdam Convention and for certain persistent organic pollutants (POPs) controlled under the Stockholm Convention. Furthermore, at the request of the International Narcotics Control Board (INCB), new subheadings have been introduced for the monitoring and control of pharmaceutical preparations containing ephedrine, pseudoephedrine or norephedrine, and for alpha-phenylacetoacetonitrile (APAAN), a pre-precursor for drugs.

Other amendments resulted from changes in international trade patterns. Headings 69.07 (unglazed ceramic products) and 69.08 (glazed ceramic products) were merged to take account of the fact that the main subheadings within these headings concern products which are essentially no longer manufactured, and the industry and trade no longer make a distinction between unglazed and glazed ceramic products, whilst new products with a very high trade volume are classified under subheadings 6907.90 and 6908.90 ("Other").

Furthermore, for purposes of adapting the HS to current trade practices, certain important products will be separately identified in either existing or new subheadings.

Advances in technology are also reflected in the amendments, inter alia, the size criteria for newsprint, light-emitting diode (LED) lamps, multi-component integrated circuits (MCOs), and hybrid, plug-in hybrid and all-electric vehicles.

Finally, the amendments include clarification of texts to ensure uniform application of the nomenclature. For example, the regrouping of monopods, bipods, tripods and similar articles in a new heading, namely 96.20.

The recommendation to amend the name "Imbuia" in the text of subheading 4407.22 will not take effect on 1 January 2017 due to an objection having been lodged by one of the Contracting Parties to the HS Convention. It has become clear that the pilot name "Imbuia" is correct.

Complementary amendments to the Harmonized System

Complementary amendments to the HS Nomenclature 2017 Edition have been accepted as a result of the Council Recommendation of 11 June 2015.

After the acceptance of the HS 2017 amendments as a result of the Council Recommendation of 27 June 2014, the HS Contracting Parties highlighted the need to make certain further corrections and amendments, to accommodate.

(1) replacement of several references to the five-digit codes in certain subheadings of headings 03.02 and 03.03;

(2) alignment between HS 2017 subheading 6304.20 and new Subheading Note 1 to Chapter 63;

(3) certain further amendments to the Nomenclature in respect of heading 44.01 and certain subheadings of Chapter 44.

It is to be noted that, as agreed by the HS Committee, the amendments mentioned in (1) and (2) above will not be binding on the Contracting Parties until they enter into force on 1 January 2018 under Article 16 of the HS Convention. Nevertheless, under the corrigendum procedure, the Contracting Parties will be free to apply these amendments as from 1 January 2017 to reflect the situation as from the date. The further amendments to the Nomenclature mentioned in (3) above, which had been inadvertently omitted from the Council Recommendation of 27 June 2014 concerning the 2017 amendment of the HS Nomenclature will enter into effect on 1 January 2018. The HS Contracting Parties are, however, encouraged to apply these amendments also from 1 January 2017.

Click here to see the complementary amendments to the HS Nomenclature 2017 Edition.