

Council for Trade in Goods

**INTRODUCTION OF HARMONIZED SYSTEM 2002 CHANGES INTO
WTO SCHEDULES OF TARIFF CONCESSIONS**

Draft Decision

The General Council,

Having regard to Articles IV:2 and IX:3 of the Marrakesh Agreement establishing the World Trade Organization (the "WTO Agreement");

Recognizing that the adoption of the Harmonized Commodity Description and Coding System (hereinafter referred to as the "Harmonized System") has, in addition to facilitating international trade and the analysis of trade statistics, ensured greater uniformity in countries' customs classification, thus enabling them to monitor and protect the value of tariff concessions;

Noting that, in accordance with Article 16 of the Harmonized System Convention, the Council of the World Customs Organization adopted a Recommendation on 25 June 1999 concerning amendments to the Harmonized System which came into force on 1 January 2002 (hereinafter referred to as "HS2002 changes");

Noting the procedure adopted by the General Council to introduce HS2002 changes, to Schedules of Concessions¹, which in certain cases may require negotiations and/or consultations under Article XXVIII of GATT 1994,

Considering that the Members concerned would need more time to submit documentation and proceed with consultations or possible Article XXVIII negotiations,

Decides, in view of the exceptional circumstances, to suspend the application of the provisions of Article II of GATT 1994 for one year, starting from the date of implementation of the HS2002 changes for each respective Member, for Members listed in the Annex² to this decision, to the extent necessary for the purpose of enabling such Members to implement domestically the recommended amendments to the Harmonized System nomenclature pending incorporation of such changes into their Schedules of Concessions, subject to the following conditions:

- (i) The Members concerned shall submit the documentation required under paragraph 1 of the Procedures in Attachment B (read along with Section 2 of Attachment A) adopted by the General Council to implement HS2002 changes to Schedules of Concessions no later than 30 April 2002;

¹ WT/L/407.

² Column one of the Annex lists the Members and column two indicates the Member's date of implementation of HS2002 changes.

- (ii) The Member concerned shall, where necessary, promptly enter into negotiations and/or consultations with interested Members pursuant to paragraphs 1-3 of Article XXVIII of GATT 1994;
- (iii) The negotiations and/or consultations mentioned above shall, to the extent possible, be completed within one year of the concerned Member's date of implementation as indicated in column 2 of the Annex; and
- (iv) In accordance with the provisions of Article XXVIII:3 of the GATT 1994, applied *mutatis mutandis* to the present waiver, pending the entry into force of the results of the negotiations and/or consultations mentioned above, the other Members will be free to suspend concessions initially negotiated with the Member concerned to the extent that they consider that adequate compensation is not offered by the Member concerned.

ANNEX

Members which have requested to be covered by the waiver under the above decision

Member ³ (1)	Date of implementation of HS2002 changes (2)
1. Argentina	29 April 2002
2. Australia*	1 January 2002
3. Bulgaria	1 January 2002
4. Canada*	1 January 2002
5. China	1 January 2002
6. Colombia	1 January 2002
7. Croatia	1 January 2002
8. Czech Republic	1 January 2002
9. Colombia	1 January 2002
10. Estonia	1 January 2002
11. European Communities*	1 January 2002
12. Hungary	1 January 2002
13. Iceland	1 January 2002
14. India	1 January 2002
15. Korea	1 January 2002
16. Latvia	1 January 2002
17. Lithuania	1 January 2002
18. Malaysia	1 January 2002
19. Mexico	1 April 2002
20. New Zealand	1 January 2002 ⁴
21. Norway*	1 January 2002
22. Romania	1 January 2002
23. Singapore	1 January 2002
24. Slovak Republic	1 January 2002
25. Slovenia	1 January 2002
26. Switzerland	1 January 2002
27. Thailand*	1 January 2002
28. Turkey	1 January 2002
29. United States*	1 January 2002
30. Uruguay	1 January 2002

³ A Member with an asterisk is a Member having made the submission referred to in sub-paragraph (i). Members not having made the submission required in sub-paragraph (i) will not be considered part of this Annex at the time of adoption of the waiver decision by the General Council.

⁴ HS2002 changes to Chapter 48 were implemented on 1 April 2002.