

WORLD CUSTOMS ORGANIZATION ORGANISATION MONDIALE DES DOUANES

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SCIENTIFIC SUB-COMMITTEE

41.675 E

13th Session

O.Eng.

SC-3

Brussels, 24 November 1997.

POSSIBLE AMENDMENTS TO SUBHEADINGS 2903.1 AND 2903.2

(Item II.14 on Agenda)

Reference documents:

25.201	(CC/32)
25.335	Annex A (CC/32 - Report)
40.362	SSC/11
40.460	Annex A/16 (SSC/11 - Report)
40.412	HSC/18
40.600	Annex D (HSC/18 - Report)
40.870	Annex A/4 (SSC/12 - Report)
41.575	(RSC/16)
41.580	Annex B/19 (RSC/16 - Report)

I. BACKGROUND

- 1. At its 12th Session (January 1997), the Scientific Sub-Committee examined a proposal by Argentina to amend the texts of subheadings 2903.1 and 2903.2, but concluded that the present texts were clear and that no amendments were necessary.
- 2. However, on 25 August 1997, Argentina requested that this question be submitted to the Review Sub-Committee for its consideration. At its 16th Session (September 1997), the Review Sub-Committee was asked to examine the Argentine proposal, as well as an alternate proposal by the Secretariat. However, given the technical nature of the question, the Review Sub-Committee agreed to refer the matter back to the Scientific Sub-Committee.

II. SECRETARIAT COMMENTS

3. For the text of the Argentine request and the Secretariat's comments concerning this question, the Sub-Committee is referred to Doc. 41.575 (RSC/16), paragraphs 8 to 13. In short, the Argentine proposal examined by the Sub-Committee at its 16th Session is reproduced below:

Present texts:

File No. 2627

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- 2903.1 Saturated chlorinated derivatives of acyclic hydrocarbons
- 2903.2 Unsaturated chlorinated derivatives of acyclic hydrocarbons

Texts proposed by Argentina:

- 2903.1 Chlorinated derivatives of saturated acyclic hydrocarbons
- 2903.2 Chlorinated derivatives of unsaturated acyclic hydrocarbons
- 4. Argentina argued in Doc. 41.575 (RSC/16), paragraphs 3 to 6, that "the text modification is proper ... based on the fact that the condition of saturated or not saturated is given by the final structure of the hydrocarbon.... we believe that the classification is given by the final product and not by the initial one". As an example, Argentina cites "the case of hexachlorocyclohexane, which, although it is obtained by halogenating benzene, is classified in the subheading which covers "halogenated derivatives of cyclanic, cyclenic or cycloterpenic hydrocarbons", because of the structure it presents, would not be classified in the subheading which covers "halogenated derivatives of "aromatic hydrocarbons", in which case we could be considering the product from which we started" (Doc. 41.575, paragraphs 3 to 6).
- 5. In the Secretariat's view, Argentina's argument is that the present texts of 2903.1 and 2903.2 do not make it clear that the determination of "saturated" or "unsaturated" depends upon the final structure of the halogenated hydrocarbon (i.e., the halogenated derivative of the hydrocarbon), not on that of the hydrocarbon before halogenation takes place. Thus, in a case where the hydrocarbon is unsaturated (e.g., 1-propene), but a chlorinated derivative of that hydrocarbon is saturated (e.g., 1,2-dichloropropane), then that chlorinated hydrocarbon (or chlorinated derivative) is classifiable in subheading 2903.15 as <u>saturated</u> (on the basis of the 1,2-dibromopropane structure), and not as unsaturated (on the basis of the initial 1-propene structure).
- 6. As noted in paragraph 1 above, the Sub-Committee felt that the texts of subheadings 2903.1 and 2903.2 were sufficiently clear and that no amendments were necessary in that regard. Nevertheless, the Argentine Administration felt strongly enough about the issue to raise it again in the Review Sub-Committee.
- 7. In the spirit of compromise, and in order to remove any doubt about the scope of the present subheadings, the Secretariat has proposed (paragraph 13 of Doc. 41.575) alternative texts in an effort to clarify the scope of subheadings 2903.1, 2903.2, 2903.3, 2903.4, 2903.5 and 2903.6, as follows:
 - 2903.1 Saturated acyclic chlorinated derivatives (whether or not perchlorinated)
 - 2903.2 Unsaturated acyclic chlorinated derivatives (whether or not perchlorinated)
 - 2903.3 Acyclic fluorinated derivatives (whether or not perfluorinated), acyclic brominated derivatives (whether or not perbrominated) or acyclic iodinated derivatives (whether or not periodinated)
 - 2903.4 Acyclic halogenated derivatives (whether or not perhalogenated) containing two or more different halogens

- 2903.5 Cyclanic, cyclenic or cycloterpenic halogenated derivatives (whether or not perhalogenated)
- 2903.6 Aromatic halogenated derivatives (whether or not perhalogenated).
- 8. In the Secretariat's view, this alternative language makes it clearer that it is the <u>derivative</u> which is saturated or unsaturated.

III. CONCLUSION

9. The Sub-Committee is invited to give its views concerning the alternative texts proposed by the Secretariat, as shown in paragraph 7 above.