



WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

Established in 1952 as the Customs Co-operation Council
Créée en 1952 sous le nom de Conseil de coopération douanière

HARMONIZED SYSTEM
COMMITTEE

NC0004E1

-
23rd Session

O. Eng.

H9-4

Brussels, 27 April 1999.

REPORT OF THE POLICY COMMISSION (40th SESSION)

(Item II.2 on Agenda)

Reference documents :

42.750 (HSC/22 – Report)

42.832 (PC/40 – Report)

I. REPORT OF THE POLICY COMMISSION

1. At its 40th Session held in Rotorua (New Zealand) from 8 to 11 December 1998, the Policy Commission was informed about various issues relating to the Harmonized System. The important developments are summarized in the following paragraphs.

Secretary General's Report

2. In his Report, the Secretary General explained the progress made with the implementation of the Strategic Plan during the early months of 1998/1999. As regards the subject of the Harmonized System, the Secretary General elect (current Secretary General) stressed the importance of making the HS decision-making process more effective and dealing with the question of how to make HS Committee decision binding. The Secretary General also noted that the Secretariat was making arrangements to announce new HSC decisions on the Internet. It was explained that the first such announcement would be made once the decisions taken at the 22nd Session of the HSC (November 1998) had been deemed approved by the Council under the terms of the HS Convention (i.e., in January 1999).
3. The Policy Commission took note of the information contained in the Secretary General's Report.

File No. 2030

For reasons of economy, documents are printed in limited number. Delegates are kindly asked to bring their copies to meetings and not to request additional copies.

Harmonized System matters

(a) Policy issues

4. The Policy Commission strongly supported the principle that a fast-track procedure should be introduced in order to speed up the HSC decision-making process in cases where a reservation had been entered. The HSC was urged to reach agreement on the details of such a procedure at its next session, so that a final proposal could be submitted to the Commission for examination at its June 1999 Session. For the discussion of this issue at the 23rd Session of the HSC, the Committee is referred to Agenda Item III. 4(a) (Doc. NC0011E1).
5. On the question of how to ensure the uniform application of HS Committee decisions, there was support for the principle of making the Committee's decisions binding on HS Contracting Parties. However some concerns were expressed about a variety of legal issues, as well as how to handle the problem of implementation in cases where internal tariff, etc., measures would need to be taken. For the discussion of this issue at the 23rd Session of the HSC, the Committee is referred to Agenda Item III.4(b) (Doc. NC0075E1).
6. Regarding the question of possible establishment of a classification dispute settlement panel, a number of delegates indicated that this question would need to be examined in depth by the HS Committee before it was submitted again to the Policy Commission, with particular reference to the justification for establishing such a body as well as its operating procedures. It was agreed that the HSC should examine this complex matter in more detail, for example by convening a small working group. The HSC might also draw on the experience of the WTO and other bodies which were already managing dispute settlement procedures. For the discussion of this issue at the 23rd Session of the HSC, the Committee is referred to Agenda Item III.4(c) (Doc. NC0076E1).

(b) Development of HS audio-visual training materials

7. All the delegates who intervened supported the production of these materials in principle. However there were differing views about the budgetary implications, with some delegations considering it essential that all the production costs be recovered through sales, while others took the view that it would not be unreasonable to offset any modest losses against the profits from the sale of HS publications if this was worthwhile for the sake of the uniform and correct application of the HS. The Policy Commission finally agreed that the Finance Committee should be invited to :
 - conduct a detailed cost/sales analysis in April 1999, on the basis of further data to be supplied by the Secretariat and taking into account the outcome of approaches which had already been made to Sweden for the use of its «Harmonizer» CD-ROM at the least possible cost to the Organization; and
 - in the light of that analysis and the WCO's overall budgetary situation, make recommendations to the Policy Commission and Council as to whether the development of these training materials should proceed as proposed.

For the discussion of this issue at the 23rd Session of the HSC, the Committee is referred to Agenda Item III.2 (Doc. NC0009E1).

II. CONCLUSION

8. The Committee is invited to take note of the developments in the Policy Commission (40th Session).
