



HARMONIZED SYSTEM
COMMITTEE

-
31st Session
-

NC0669E1

O. Eng./Fr.

Brussels, 14 March 2003.

MATTERS FOR DECISION BY THE HARMONIZED SYSTEM COMMITTEE

(Item V.2 on Agenda)

Reference document :

NS0080E2 (SSC/18 – Report)

1. The Harmonized System Committee is invited to examine the conclusions of the Scientific Sub-Committee's 18th Session, January 2003, which are summarised below with reference to the relevant Annexes of the Sub-Committee's Report (Doc. NS0080E2).

Annexes A/1 and C/1 - Establishment of a correlation between the Harmonized System and the WTO instrument on pharmaceutical products

2. The Sub-Committee agreed to recommend the correlation as set out in Annex C/1 to its Report.

3. **The Committee is invited to approve the recommended correlation.**

Annexes A/2 and C/2 – Amendments to the Explanatory Notes to Chapter 29 to clarify the classification of certain organic chemical compounds

4. The Sub-Committee has recommended modifications to the Explanatory Notes with respect to heterocyclic compounds (headings 29.32 and 29.33), nucleic acids (heading 29.34) and sulphonamides (heading 29.35), including the insertion of sildenafil citrate in the Explanatory Note of the latter heading.

5. **The Committee is invited to approve the proposed amendments to the Explanatory Notes.**

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Annexes A/3 and C/3 – Possible amendment of the Explanatory Note to heading 29.37

6. The Sub-Committee examined the Secretariat's proposal to amend the Explanatory Note to heading 29.37 (Annex of Doc. NS0065E1) and has recommended amendments to the Explanatory Notes concerning certain hormones and their derivatives and their structural analogues, as well as certain exclusions concerning products not having a structure similar to that of hormones (for example, endothelin antagonists).

7. With respect to proposed new item (6) of the Explanatory Note to heading 29.37 on page 482, the Secretariat would like to offer the following comments. The text of this new item, as agreed upon by the Sub-Committee (see Annex C/3 of the Report), gives the impression that antagonists of tromboxanes and leukotrienes, such as seratrodist (INN) and montelukast (INN), are all to be classified in heading 29.33. The classification of seratrodist (INN list 70) was examined at the 11th Session of the Scientific Sub-Committee. Following the suggestion from the SSC, the HS Committee at its 18th Session, agreed to classify it in heading 29.18 (subheading 2918.30). That being the case and to clarify the intention of the exclusion, the Secretariat suggests the following wording for new item (6) :

“(6) Antagonists of tromboxanes and leukotrienes, which are classified according to their structure (e.g., seratrodist (INN) (**heading 29.18**), montelukast (INN) (**heading 29.33**)).”

8. **The Committee is invited to approve the proposed amendments to the Explanatory Notes, taking into account the comments of the Secretariat in paragraph 7 above.**

Annexes A/4 and C/4 – Possible amendment of the Explanatory Note to heading 29.41

9. The Sub-Committee agreed, unanimously, with the view of the Review Sub-Committee, that aztreonam (INN) should be classified in subheading 2941.90, and suggested inserting specific examples of penems and carbapenems in the relevant part of the Explanatory Note to heading 29.41.

10. **The Committee is invited to note that the views of the Scientific Sub-Committee have been communicated to the Review Sub-Committee (cf. Item VI on the Agenda).**

Annex A/5 – Possible amendment of the Explanatory Note of heading 30.02

11. The Sub-Committee felt that the present text of the Explanatory Notes provided sufficient guidance with regard to the classification of the substances similar to leridistim and was, therefore, of the view that no amendment of the Explanatory Note to heading 30.02 was needed.

12. **The Committee is invited to note that the views of the Scientific Sub-Committee have been communicated to the Review Sub-Committee (cf. Item VI on the Agenda).**

Annexes A/6, C/5 and C/6 - Classification of certain INN products

13. The Sub-Committee agreed to recommend classification of pegacaristim (INN List 80) and pegnartograstim in subheading 3907.20, and of labradimil (INN List 83) in subheading 2937.19. It also examined the classification of 16 products (INN List 84) and 21 products (INN List 85). The list of products and their recommended classifications are set out in Annex C/5 to the Sub-Committee's Report, the products whose classification could not be agreed being placed in square brackets for consideration at the Sub-Committee's next

session. The proposed amendment to the Explanatory Note to heading 30.02 regarding toxins is set out in Annex C/6 to that Report.

14. **The Committee is invited to approve the classifications suggested by the Sub-Committee and the proposed amendment to the Explanatory Note of heading 30.02. It is also invited to take note of the fact that the Sub-Committee will re-examine the classification of the products placed in square brackets at its next session.**

Annexes A/7 and C/7 - Classification of new INN products (INN List 86)

15. The Sub-Committee examined the classification of 44 products from INN List 86 (as reproduced in the Annex to Doc. NS0069E1). The list of products and their suggested classifications are set out in Annex C/7 to the Sub-Committee's Report. The items whose classification has not been agreed have been placed in square brackets for reconsideration at the Sub-Committee's next session.

16. **The Committee is invited to approve the classifications suggested by the Sub-Committee and to take note of the fact that the Sub-Committee will re-examine the classification of the products placed in square brackets at its next session.**

Annex A/8 - Classification of coated paper or paperboard of subheadings 4810.13, 4810.14, 4810.19, 4810.22 and 4810.29

17. The Sub-Committee considered that the provisions of Note 5 to Chapter 48 when applied to coated paper or paperboard, would not give reliable results vis-à-vis the nature of the paper (i.e., whether or not for graphic purposes), and that an additional study by the Secretariat of the matter was needed.

18. **The Committee is invited to take note of the developments and to request the Secretariat to study the issue taking into account the remarks of the Sub-Committee.**

Annexes A/9 and C/10 - Proposal by the US Administration to amend the Nomenclature and the Explanatory Note to heading 38.21

19. The Sub-Committee recommended the text "Prepared culture media for the development or maintenance of micro-organisms (including viruses and the like) or of plant, human or animal cells", noting that there would be no transfer of products from Chapter 4. It also recommended that the Explanatory Note to heading 38.21 should reflect the fact that the phrase "and the like" used in the text would cover bacteriophages, plasma factors and DNA cells.

20. **The Committee is invited to note that the views of the Scientific Sub-Committee have been communicated to the Review Sub-Committee (cf. Item VI on the Agenda).**

Annex A/10 - Possible amendment of the structured nomenclature to heading 29.41 and the Explanatory Notes to Chapter 29 (Proposal by the Mexican Administration)

21. There was no consensus among the delegates of the Sub-Committee on the question of whether or not a reference to "structural analogues" should be inserted in the texts of the subheadings of heading 29.41. Nor was there agreement on the scope of the term "derivatives". Consequently, the Sub-Committee could not address the other questions raised by the Review Sub-Committee.

22. The Chairperson finally invited administrations to make proposals to define the terms "derivatives" and "structural analogues" at the legal level, on the basis of which possible amendments to the subheading texts could be considered.

23. **The Committee is invited to note that the views of the Scientific Sub-Committee have been communicated to the Review Sub-Committee (cf. Item VI on the Agenda).**

Annexes A/11 and C/9 - Possible amendment of the structured nomenclature to heading 38.24 (Proposal by UNEP)

24. Subject to the modifications and comments summarised in the Report, the Sub-Committee agreed to recommend the possible amendment of the structured nomenclature to heading 38.24 as set out in Annex C/9 to its Report.

25. **The Committee is invited to note that the views of the Scientific Sub-Committee have been communicated to the Review Sub-Committee (cf. Item VI on the Agenda).**

Annex A/12 - Possible creation of a new Note to Chapter 69 to define the term "refractory"

26. The Sub-Committee agreed to recommend maintenance of the status quo, as any change to the legal text, or to the Explanatory Notes, would tend to create rather than solve problems, and would therefore make the Nomenclature more difficult to apply.

27. **The Committee is invited to note that the views of the Scientific Sub-Committee have been communicated to the Review Sub-Committee (cf. Item VI on the Agenda).**

Annexes A/13 and C/8 - Draft Recommendation of the Customs Co-operation Council on the insertion in national statistical nomenclatures of subheadings to facilitate the collection and comparison of data on the international movement of substances controlled by virtue of amendments to the Montreal Protocol on substances that deplete the ozone layer

28. Subject to the modifications and comments summarised in the Report, the Sub-Committee agreed to recommend the Draft Recommendation as set out in Annex C/8 to its Report.

29. **The Committee is invited to take into account the conclusions of the Sub-Committee when it examines the proposed draft Recommendation under Item IV.1 on the Agenda.**

Annex A/14 - Classification of certain modified starches or sizing preparations

30. A majority of delegates felt that the addition of the very small quantities of other ingredients (than starch) had not changed the character of the modified starches, thereby turning them into preparations. The Sub-Committee, therefore, recommended to classify the products at issue in heading 35.05 as modified starches, taking into account the role of the added ingredients (i.e., defoamer or acidifier).

31. **The Committee is invited to take into account the conclusions of the Sub-Committee when it examines the proposed draft Recommendation under Item VIII.7 on the Agenda.**

Annex A/15 - Classification of an antimycotic agent referred to as "Natamax"

32. There was a divergence of views within the Sub-Committee with respect to the classification of "Natamax". A majority of delegates felt that the lactose was present in such small quantities that it would make only a negligible contribution to the nutritive value of the final product, and that the product was not excluded from Chapter 38 by Note 1(b) to that Chapter. Classification was, therefore, directed to either heading 38.08 or 38.24. Other delegates, on the other hand, considered that the product was classifiable in heading 21.06 by application of Note 1 (b) to Chapter 38. The Sub-Committee agreed to forward both views to the Harmonized System Committee, as well as its conclusions concerning the role of lactose in the preparation.

33. **The Committee is invited to take into account the conclusions of the Sub-Committee when it examines the classification of the products at issue under Item VIII.8 on the Agenda.**

Annex /16 - Possible amendments to subheading 2929.10 and to the Explanatory Note to heading 29.29 to clarify the classification of isocyanates and related products

34. There was no support in the Sub-Committee for the proposal to amend subheading 2929.10. There was, however, consensus that the Explanatory Notes (to headings 39.09, 39.11 and to Chapter 29, as necessary) should be modernised with a view to referring to the main isocyanate-related products discussed (including their abbreviations), as well as explaining their manufacturing process to some extent. Administrations were invited to submit proposals in this respect.

35. **The Committee is invited to take note of the developments.**

Annexes A/17 and C/11 - Possible amendments to the Nomenclature with regard to the Rotterdam Convention

36. Subject to the modifications and comments summarised in the Report, the Sub-Committee agreed to recommend the possible amendments to the Nomenclature with regard to the Rotterdam Convention as set out in Annex C/11 to this Report.

37. **The Committee is invited to take into account the conclusions of the Sub-Committee when it examines the proposed draft amendments to the Nomenclature under Item VIII.11 on the Agenda.**

Annex B/1 - Decisions taken by the HSC at its 29th and 30th Sessions affecting the work of the Scientific Sub-Committee

38. The Chairperson briefly summarised the decisions taken by the HS Committee at its 29th and 30th Sessions and the pending questions affecting the work of the Scientific Sub-Committee.

39. **The Committee is invited to take note.**

Annex B/2 - Revision of the Customs Laboratory Guide

40. The Sub-Committee took note of the developments concerning the Customs Laboratory Guide, of which Amending Supplement No. 1 had been published in September 2002. Delegates were invited to submit their comments to the Secretariat by the end of February, with a view to improving and modernising this publication.

41. **The Committee is invited to take note.**

Annex B/3 - WCO regional seminar on Customs laboratory matters

42. The Sub-Committee took note of the information provided with respect to the Regional WCO Seminar, organised in Rio de Janeiro, Brazil, from 10 to 14 June 2002, in co-operation with the Japanese and Brazilian Administrations. It also took note of the forthcoming Regional Seminar for the Asia/Pacific Region, to be held in Malaysia in June 2003.

43. **The Committee is invited to take note.**

Annex B/4 - Terms of Reference of the Scientific Sub-Committee

44. The Sub-Committee considered that the Terms of Reference were too restrictive and that they should be broadened, in particular with respect to Function, Purpose and Scope and Key Deliverables, thus no longer being restricted to chemicals, scientific issues or the HS Committee.

45. **The Committee is invited to take note.**
