

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

NC0692E1 (+ Annex)

31st Session

O. Eng.

Brussels, 14 March 2003.

PROPOSAL BY THE US ADMINISTRATION TO AMEND THE NOMENCLATURE TO CHAPTER 41

(Item VIII.5 on Agenda)

Reference documents:

42.268 (TCRO) NR0155E1 (RSC/23) NR0165E3, Annex D/4 (RSC/23 - Report) NR0177E1 (RSC/24) NR0205E2, Annex C/9 (RSC/24 - Report) NR0217E1 (RSC/25)

NR0265E3, Annex C/7 (RSC/25 – Report) NR0278E1 (RSC/26) NR0332E3, Annex C/8 (RSC/26 – Report) NC0602E1 (HSC/30) NC0655E2, Annex E (HSC/30 Report)

I. BACKGROUND

- 1. At its 25th Session, the Review Sub-Committee examined the US proposal to replace the expression "hides and skins" in headings 41.04 to 41.06 by the term "leather".
- 2. Some delegates pointed out that this would cause major difficulties. "Leather" would be rendered in the French version as "cuirs", which was a general term used indiscriminately to cover both untanned and tanned hides and skins. It was also indicated that a similar observation could be made in respect of many other languages. Therefore, this would not necessarily serve to clarify the scope of headings 41.04 to 41.06.
- 3. Following this clarification, the **US** Delegate suggested, by way of compromise, that the word "leather" be inserted in parentheses after the word "skins", in the English version only.
- 4. Since this new proposal had been made from the floor, the Committee decided to revisit this issue at the next session.

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- 5. At its 26th Session, the Review Sub-Committee examined the US proposal to insert a reference to "leather" in parentheses in headings 41.04 to 41.06.
- 6. Certain delegates expressed the view that such an amendment would not result in any serious misalignment with the French text. They were also willing to replace the reference to "hides and skins" in headings 41.04 to 41.06 by a reference to "leather" in order to replace technical terms by commercial ones.
- 7. Yet another delegate stated that amending the English text only would be dangerous in view of possible consequences with respect to the French version and third language versions. He also pointed out that any explanations of the Nomenclature should be inserted in the relevant parts of the Explanatory Notes and not in the legal text.
- 8. Taking into account the lack of consensus on this issue, the Sub-Committee decided to submit two options to the Harmonized System Committee for decision; Option 1 being to maintain the status quo and Option 2 being to insert the reference to "leather" in parentheses as mentioned in paragraph 18 of Doc. NR0278E1.
- 9. At its 30th Session, the Harmonized System Committee examined the two options submitted for its consideration by the Review Sub-Committee.
- 10. One delegate drew the Committee's attention to the fact that there were several examples in the text of the Nomenclature where the French text could not be directly translated into English and therefore different terminology had been used for the two versions. He added that in certain cases English terms had been inserted in parentheses in the French text to clarify the scope of the two versions. He believed that adding the reference to "leather" in parentheses to the English text would bring the legal text into line with the terminology used by the industry and the trade and would have no impact on the scope of the headings at issue.
- 11. Another delegate saw no need to amend the legal text that had been recently approved on the basis of a proposal from the leather industry during the second review cycle. He took the view that amending the English text in the proposed way would have an impact on the scope of the headings at issue and possibly on the alignment of the English and French versions. In order to allow time for further consultations with the industry, he suggested that the question should be re-visited by the Committee at its next session.
- 12. After this exchange of views, the Committee agreed to postpone a final decision on this issue to its next session. The texts under consideration, which were set out in square brackets in Annex M/1 to Doc. NC0655E2 (HSC/30 Report), are reproduced in the Annex to this document.

II. <u>SECRETARIAT COMMENTS</u>

- 13. The Secretariat has already expressed its view with regard to this issue in Doc. NR0278E1 and leaves it to the Committee to decide on the proposed amendments to Chapter 41 under consideration.
- 14. In view of the lack of agreement in identifying the scope of the terms "hides", "skins" and "leather" in the Review Sub-Committee, the Secretariat has reproduced below definitions of these terms found in the International Glossary of Leather Terms published by the International Council of Tanners.

Hide (Fr. – Cuir brut) – the outer covering of a mature or fully-grown animal of the larger kind, e.g. cattle and horse; also camels, elephants and whales.

Skin (Fr. – Peau)– (a) a general term for the outer covering of an animal; (b) in the strict sense, the outer covering of an animal of the smaller kinds, e.g. sheep and goats, or of the immature animals of the larger species, e.g. calves and colts.

Leather (Fr. – Cuir) – a general term for hide or skin with its original fibrous structure more or less intact, tanned to be imputrescible.

III. CONCLUSION

15. The Committee is invited to rule on whether or not a reference to "leather" in parentheses should be inserted in headings 41.04 to 41.06, as set out in the Annex to this document.

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