



HARMONIZED SYSTEM
COMMITTEE

-
24th Session
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NC0098E1

O. Eng.

Brussels, 4 October 1999.

CO-OPERATION WITH THE TECHNICAL COMMITTEE ON RULES OF ORIGIN

(Item III.1 on Agenda)

Reference documents :

42.009 (HSC/21)	42.750, Annex C/1 (HSC/22 – Report)
42.100, Annex C/3 (HSC/21 – Report)	42.820 (TCRO/15 – Report)
42.262 (TCRO/12 – Report)	OC0010E3 (TCRO/16 – Report)
42.263 (TCRO/12/13 – Report to the Committee on Rules of Origin)	NC0008E1 (HSC/23)
42.557 (TCRO/13 – Report)	NC0090E2, Annex C/1 (HSC/23 – Report)
42.711 (TCRO/14 – Report)	OC0030E2 (TCRO/17 – Report)
42.397 (HSC/22)	

I. BACKGROUND

1. The Technical Committee on Rules of Origin (Technical Committee or TCRO) held its 17th Session from 17 to 28 May 1999. Members of the Tariff and Trade Affairs Directorate attended the session.
2. The following is a summary of the discussions and conclusions of the Technical Committee concerning agenda items of a technical nature, which have a direct bearing on the HS.

II. SUMMARY OF THE DISCUSSIONS AND CONCLUSIONS OF THE TECHNICAL COMMITTEE

3. At its 17th Session, the Technical Committee re-examined the Rules proposed for Chapters 1 to 24, 50 to 63, and 82 to 97, in the light of the results of the discussions on the overall architecture, which was discussed at TCRO's 15th and 16th Sessions and revised during the 17th Session.
4. In a number of cases the Technical Committee concluded the debates on technical issues but did not find consensus concerning the proposed rules of origin. These cases were placed in square brackets and submitted to the WTO Committee on Rules of Origin (CRO) for consideration and decision. Those items where the Technical Committee did find consensus on the proposed rules of origin were also submitted to the CRO for endorsement.

File No. 2508

5. A summary of important topics is given below.

A. Completion of the work program

6. At its 17th Session, the TCRO completed the technical elaboration of the draft harmonized non-preferential rules of origin, and submitted, in accordance with the CRO's recommendation, the final results to the CRO. The package of the final results included the provisional text of the overall architecture of the Harmonized Rules of Origin and all the remaining product specific rules of origin either as a rule agreed by consensus or as options reflecting divergent preferences of the Members of the TCRO. The unresolved issues sent to the CRO for decision during the entire harmonization work programme numbered approximately 500.
7. The 18th Session of the TCRO is provisionally scheduled for 25 October to 5 November 1999, during which it will take up its permanent responsibilities and any additional requests formulated by the CRO.

B. References to Harmonized System

8. The TCRO re-confirmed its earlier position that any reference to the Harmonized System would be a reference to the Harmonized System as amended and in force (General Rule 2). It also adopted the rule that classification of goods within any additional subdivisions created for purposes of the rules of origin shall be governed by the General Interpretative Rules and any relative Section, Chapter or Subheading Notes to the Harmonized System, unless the rules of origin otherwise require. The TCRO further accepted the principle that amendments to the Harmonized System did not have the effect of changing the results of the rules of origin. In this context, the TCRO took note of the amendment procedure as laid down in Article 16 of the Harmonized System Convention, and of the HSC's approval of the draft Council Recommendation to amend the HS.
9. To cope with future amendments to the HS, draft texts with possible institutional arrangements for technical review and rectification will be presented to the CRO for consideration.

III. SECRETARIAT COMMENTS

10. The Committee is invited to note that the TCRO has completed its work on the elaboration of a set of Harmonized Rules of Origin within the deadline endorsed by the WTO General Council, and that it has submitted the final results to the CRO for consideration and decision, or for endorsement, as the case may be.
11. With respect to possible future amendments to the Harmonized System to facilitate the application of the Rules of Origin, the Secretariat suggests waiting for the outcome of the discussions in the Review Sub-Committee (Item V on the Agenda). It should be further noted that the TCRO and CRO have, so far, not yet formulated any request to that extent. Finally, at the time of preparing this document, the CRO had not yet approved the final set of Rules of Origin.

IV. CONCLUSION

12. The Committee is requested to take note of the above developments in the Technical Committee on Rules of Origin.
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