



**TRANSPOSITION OF DRAFT CONSOLIDATED TEXT ON NON-PREFERENTIAL RULES OF
ORIGIN UNDER THE WTO AGREEMENT ON RULES OF ORIGIN**

(Item V (a) on the Agenda)

The following submission, dated 22 March 2013, is being circulated at the request of the World Customs Organization.

By letter dated 13 June 2012 the CRO has requested the advice of the WCO Technical Committee on Rules of Origin (TCRO) concerning the transposition of the draft text of non-preferential rules of origin, contained in document G/RO/W/111/Rev.6, to a newer version of the HS nomenclatures, taking into account the technicality of the undertaking and the TCRO's high capability to assist such work.

The WCO Secretariat and the TCRO have welcomed the opportunity for a review of the transposed text by the experts of the TCRO as this technical review of the transposed rules will ensure that the final agreement is simplified and, hence, facilitate its implementation by Customs administrations and the business community.

While a large portion of the HS amendments has little or no impact on the rules of origin, the transposed rules may become overly complex in certain cases if the transposition was only carried out mechanically without any logical simplification. Therefore it is extremely important for Customs as well as the traders to ensure that the transposed rules are simple and clear, so that the rules are fully effective and implementable.

The WCO Secretariat had prepared a document to be examined by the TCRO focusing on the examination of those possible complex cases. The document has been examined by the TCRO at its 31st session in January 2013.

The TCRO expressed general appreciation for the work carried out by both Secretariats and stressed the need for harmonized, simple and transparent rules. The technical rectification should be merely a technical issue and should not lead to changes in the so far agreed rules. On the other hand, the transposition leads to complexity in some cases and these cases should be looked at.

After the discussion, the TCRO Chairperson concluded that the transposition process must ensure that agreed rules are not touched upon and that simplifications should not lead to changes in the rules. The TCRO took note of the document and of various comments made by delegations and agreed that the document be sent to the CRO as WCO Secretariat recommendations and technical advice.

According to the TCRO decision I am pleased to enclose the document trusting that it provides reasonable option to the CRO for consideration.

1. Since the beginning of the negotiations of the Harmonization Work Programme (HWP) the WCO Council has adopted several recommendations to amend the Harmonized System (HS). These HS amendments came into effect internationally on 1 January 2002, 2007 and 2012.

2. The Technical Committee on Rules of Origin (TCRO) has agreed in the past that synchronized application of the Harmonized System and the Harmonized Rules of Origin is essential. A technical rectification of the Agreement on Origin will therefore be needed.

3. At its meeting on 27 October 2011, the Committee on Rules of Origin (CRO) agreed to initiate the transposition of the draft consolidated text of Non-Preferential Rules of Origin into more recent versions of the HS nomenclature. The WTO Secretariat has been mandated to conduct this work with a view to concluding it as soon as possible. The transposition exercise would be conducted on a step-by-step basis as to gradually conduct a technical rectification from HS 1996 to HS 2012.

4. At its meeting on 7 June 2012 the CRO agreed to invite comments from the TCRO on documents prepared by the WTO Secretariat concerning the transposition exercise. To that effect, the Chairperson of the CRO addressed a letter to the Chairperson of the TCRO on 13 June 2012.

5. On 29 June the Chairperson of the TCRO welcomed this opportunity for a review of the transposed text by the experts of the TCRO adding that a technical review of the transposed rules would ensure that the final agreement is simplified and, hence, facilitates its implementation by Customs administrations and the business community. The TCRO would provide the CRO with relevant advice to improve the quality of the transposition work.

6. On 24 September 2012 the Chairperson of the TCRO addressed a letter to the TCRO delegations stating that:

"while a large portion of the HS amendments has little or no impact on the rules of origin, the transposed rules may become overly complex in certain cases if the transposition was only carried out mechanically without any logical simplification.

Therefore it is extremely important for Customs as well as the traders to ensure that the transposed rules are simple and clear, so that the rules are fully effective and implementable. The Technical Committee on Rules of Origin (TCRO) is now expected to contribute to this very important technical work. In this context, I am of the view that the TCRO should focus on the examination of those possible complex cases, and provide reasonable options to the CRO for consideration.

As the centrepiece of practical expertise in the implementation of rules of origin, I am confident that the TCRO can make valuable contributions as we have done through the early years of the development of the Harmonization Work Programme."

7. The Chairperson indicated that the WCO Secretariat would analyse the transposition documents received from the WTO Secretariat and draft a working document to facilitate the discussions at the TCRO.

8. The WCO Secretariat has analysed the transposition documents received from the WTO. As indicated by the Chairperson, a large portion of the HS amendments has little or no impact on the rules of origin.

9. On the other hand, for those headings on which the HS amendments have great impact, the rules of origin will be very complex as a result of the mechanical transposition, thus the simplified presentation of the rules of origin must be considered for those headings.

10. The existence of complex rules of origin would have huge negative impacts on the implementation of rules of origin by Customs and economic operators. Thus it is extremely important from the Customs' standpoint to avoid such complex rules of origin to the maximum extent possible.

11. In this context, the Secretariat has selected the transposed rules of origin which include the following:

- 1) Exceptions from other (sub) headings, or
- 2) Creation of new split (sub) headings.

12. For these cases, it is appropriate for the TCRO to undertake technical discussions and make feasible and realistic recommendations of the transposed rules of origin based on the implementation feasibility by the Customs administrations and the economic operators.

13. The result of the decisions taken by the TCRO will be forwarded to the CRO by the Chairperson to be duly utilized for the CRO's consideration.

CONCLUSION

14. The Committee is invited to discuss the transposed rules of origin compiled in the Annexes to the present document in order to provide the CRO with relevant advice to improve the quality of the transposition work undertaken by the WTO Secretariat.

**TRANSPOSITION EXERCISE
HS 1996 TO HS 2002**

1. Chapters 28 and 29

In view of the Chapter Primary Rules for Chapters 28 and 29 which provide for a chemical reaction as well as mixing and blending as origin conferring processes, the WCO Secretariat recommends a simple CTSH rule for the following headings:

28.05, 28.27, 28.34, 28.41, 28.42, 29.03, 29.05, 29.07, 29.14, 29.18, 29.21, 29.22, 29.24, 29.25, 29.26, 29.32, 29.33, 29.34, 29.37

2. Heading 30.06

a. Recommendation by the Secretariat

HS 2002	Description	Rule
30.06	Pharmaceutical goods specified in Note 4 to this Chapter.	<i>As specified for subheadings</i>
3006.10	- Sterile surgical catgut, similar sterile suture materials and sterile tissue adhesives for surgical wound closure; sterile laminaria and sterile laminaria tents; sterile absorbable surgical or dental haemostatics	CTH
3006.20	- Blood-grouping reagents	CTH
3006.30	- Opacifying preparations for X-ray examinations; diagnostic reagents designed to be administered to the patient	CTH
3006.40	- Dental cements and other dental fillings; bone reconstruction cements	CTH
3006.50	- First-aid boxes and kits	CTH, <i>except when resulting only from putting up in sets</i>
3006.60	- Chemical contraceptive preparations based on hormones, on other products of heading 29.37 or on spermicides	CTH
3006.70	- Gel preparations designed to be used in human or veterinary medicine as a lubricant for parts of the body for surgical operations or physical examinations or as a coupling agent between the body and medical instruments	CTSH, except from subheading 3824.90
3006.80	- Waste pharmaceuticals:	<i>As specified for split subheading</i>
ex3006.80(a) ex3006.80(b) ex3006.80(c)	-- Glands and other organs for organo-therapeutic uses, dried, whether or not powdered; extracts of glands or other organs or of their secretions for organo-therapeutic uses; heparin and its salts; other human or animal substances prepared for therapeutic or prophylactic uses, not elsewhere specified or included. --- Glands and other organs, dried, whether or not powdered --- Extracts of glands or other organs or of their secretions --- Other	CTSHS CTSHS CTSHS
ex3006.80(d)	-- Human blood; animal blood prepared for therapeutic, prophylactic or diagnostic uses; antisera and other blood fractions and modified immunological products, whether or not obtained by means of biotechnological processes; vaccines, toxins, cultures of micro-organisms (excluding yeasts) and similar products. --- Antisera and other blood fractions and modified immunological products, whether or not obtained by means of biotechnological processes	CTSHS
ex3006.80(e) ex3006.80(f) ex3006.80(g) ex3006.80(h)	--- Vaccines for human medicine --- Vaccines for veterinary medicine --- Other	CTSHS CTSHS CTSHS CTSHS
ex3006.80(i)	-- Medicaments (excluding goods of heading No. 30.02, 30.05 or 30.06) consisting of two or more constituents which have been mixed together for therapeutic or prophylactic uses, not put up in measured doses or in forms or packings for retail sale. -- Medicaments (excluding goods of heading 30.02, 30.05 or 30.06) consisting of mixed or unmixed products for therapeutic or	CTSHS

HS 2002	Description	Rule
ex3006.80(j) ex3006.80(k)	prophylactic uses, put up in measured doses (including those in the form of transdermal administration systems) or in forms or packings for retail sale. -- Wadding, gauze, bandages and similar articles (for example, dressings, adhesive plasters, poultices), impregnated or coated with pharmaceutical substances or put up in forms or packings for retail sale for medical, surgical, dental or veterinary purposes. --- Impregnated or coated with pharmaceutical substances --- Not impregnated or coated with pharmaceutical substances -- Pharmaceutical goods specified in Note 4 to this Chapter	CTSHS CTSHS or from the headings of Section XI
ex3006.80(l)	--- Gel preparations designed to be used in human or veterinary medicine as a lubricant for parts of the body for surgical operations or physical examinations or as a coupling agent between the body and medical instruments	CTSHS
ex3006.80(m)	--- Other	CTSHS

Comment: The exceptions in the product specific rule for those changes that are unlikely to happen may not be needed and therefore have been deleted from the recommendation. Residual exceptions that are possible to happen in a commercial sense can be deleted if a Chapter Note is added specifying that for the purposes of heading 30.06, a change of a product to its own waste pharmaceutical as defined in the Harmonized System Chapter Note 4(k) or a change of a product to its own clinical waste as defined in HS Note 6 (a) to Chapter 38 is not origin conferring.

Another option to consider is to apply a single origin criterion for all waste pharmaceuticals. For instance, to apply the same rule that most of the chapters of the Consolidated Text of Non-Preferential Rules of Origin apply to waste and scrap: The country of origin of this heading shall be the country in which waste of this heading is derived or collected from manufacturing or processing operations or from consumption.

If the headings in Chapter 30 are solved for the transposition exercise 1996-2002, this will also solve the challenges for the 2002-2007 transposition exercise, as the WTO Secretariat for the 2002-2007 rectification worked on a non-simplified version of the HS 2002.

3. Heading 34.01

a. Recommendation by the Secretariat

HS 2002	Description	Rule
34.01	Soap; organic surface-active products and preparations for use as soap, in the form of bars, cakes, moulded pieces or shapes, whether or not containing soap; organic surface-active products and preparations for washing the skin, in the form of liquid or cream and put up for retail sale, whether or not containing soap; paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent.	<i>As specified for split headings</i>
ex34.01(a)	- Paper, wadding, felt and non-wovens, impregnated, coated or covered with soap or detergent	CTHS
ex34.01(b)	- Organic surface-active products and preparations for washing the skin, in the form of liquid or cream and put up for retail sale, whether or not containing soap	CTHS, except from heading 34.02
ex3401(c)	- Other	CTHS, except from split heading ex3401(a)

Comment: Organic surface-active products and preparations for washing the skin, in form of liquid, were classified (HS1996) in subheading 3402.20 - preparations put up for retail sale. Rule applicable to this subheading is CTH rule. In HS1996 rule: 1) change to split heading ex34.01(a) and (b) from organic surface-active products and preparations for washing the skin, in form of liquid, was origin conferring and 2) change to organic surface-active products and preparation for washing the skin, in form of liquid, from other subheadings of heading 34.02 was not origin conferring.

Therefore it seems necessary to create an additional split in the transposed rule for organic surface-active products and preparations for washing the skin, in form of liquid. This new split needs to have CTHS rule to ensure that change to organic surface active products from ex3401(a) and (b) is origin conferring. In addition, an exception needs to be included in order to make not origin conferring the change to organic surface-active products from subheadings of heading 34.02. In the case of rule for ex34.01(b) (split heading c in HS2002 rule) CTHS, except from ex34.01(a) ensures that a change from organic surface-active products be origin conferring.

4. Heading 34.02

a. Recommendation by the Secretariat

HS 2002	Description	Rule
34.02	Organic surface-active agents (other than soap); surface-active preparations, washing preparations (including auxiliary washing preparations) and cleaning preparations, whether or not containing soap, other than those of heading 34.01.	<i>As specified for subheadings</i>
	- Organic surface-active agents, whether or not put up for retail sale:	
3402.11	-- Anionic	CTSH
3402.12	-- Cationic	CTSH
3402.13	-- Non-ionic	CTSH
3402.19	-- Other	CTSH
3402.20	- Preparations put up for retail sale	CTH, except from split heading ex34.01(b)
3402.90	- Other	CTH, except from split heading ex34.01(b)

Comment: Exception is needed to ensure that change to preparation put up for retail sale of subheading 3402.20 from organic surface-active products and preparations for washing the skin, in the form of liquid or cream and put up for retail sale, whether or not containing soap, now classified in heading ex34.01 is not origin conferring.

5. Heading 38.24/38.25

a. Recommendation by the Secretariat

HS 2002	Description	Rule
38.24	Prepared binders for foundry moulds or cores; chemical products and preparations of the chemical or allied industries (including those consisting of mixtures of natural products), not elsewhere specified or included.	CTSH
38.25	Residual products of the chemical or allied industries, not elsewhere specified or included; municipal waste; sewage sludge; other wastes specified in Note 6 to this Chapter.	Option A: CTH Option B: The country of origin of this heading shall be the country in which waste of this heading is derived or collected from manufacturing or processing operations or from consumption.

Comment: If the headings in Chapter 38.24/38.25 are solved for the transposition exercise 1996-2002, this will in principle also solve the challenges for the 2002-2007 transposition exercise, as the WTO Secretariat for the 2002-2007 rectification worked on a non-simplified version of the HS 2002.

6. Heading 48.02**a. Recommendation by the Secretariat**

HS 2002	Description	Rule
48.02	Uncoated paper and paperboard, of a kind used for writing, printing or other graphic purposes, and non-perforated punch-cards and punch tape paper, in rolls or rectangular (including square) sheets, of any size, other than paper of heading 48.01 or 48.03; hand-made paper and paperboard.	CTH

7. Heading 48.04**a. Recommendation by the Secretariat**

HS 2002	Description	Rule
48.04	Uncoated kraft paper and paperboard, in rolls or sheets, other than that of heading 48.02 or 48.03.	CTH

8. Heading 48.05**a. Recommendation by the Secretariat**

HS 2002	Description	Rule
48.05	Other uncoated paper and paperboard, in rolls or sheets, not further worked or processed than as specified in Note 3 to this Chapter.	CTH

9. Heading 48.06**a. Recommendation by the Secretariat**

HS 2002	Description	Rule
48.06	Vegetable parchment, greaseproof papers, tracing papers and glassine and other glazed transparent or translucent papers, in rolls or sheets.	CTH

10. Heading 48.07**a. Recommendation by the Secretariat**

HS 2002	Description	Rule
48.07	Composite paper and paperboard (made by sticking flat layers of paper or paperboard together with an adhesive), not surface-coated or impregnated, whether or not internally reinforced, in rolls or sheets.	CTH

11. Heading 48.08**a. Recommendation by the Secretariat**

HS 2002	Description	Rule
48.08	Paper and paperboard, corrugated (with or without glued flat surface sheets), creped, crinkled, embossed or perforated, in rolls or sheets, other than paper of the kind described in heading 48.03.	<i>As specified for subheadings</i>
4808.10	- Corrugated paper and paperboard, whether or not perforated	CTH
4808.20	- Sack kraft paper, creped or crinkled, whether or not embossed or perforated	CTH
4808.30	- Other kraft paper, creped or crinkled, whether or not embossed or perforated	CTH
4808.90	- Other	CC

12. Heading 48.10**a. Recommendation by the Secretariat**

HS 2002	Description	Rule
48.10	Paper and paperboard, coated on one or both sides with kaolin (China clay) or other inorganic substances, with or without a binder, and with no other coating, whether or not surface-coloured, surface-decorated or printed, in rolls or rectangular (including square) sheets, of any size. - Paper and paperboard of a kind used for writing, printing or other graphic purposes, not containing fibres obtained by a mechanical or chemi-mechanical process or of which not more than 10% by weight of the total fibre content consists of such fibres:	CTH

13. Heading 48.11**a. Recommendation by the Secretariat**

HS 2002	Description	Rule
48.11	Paper, paperboard, cellulose wadding and webs of cellulose fibres, coated, impregnated, covered, surface-coloured, surface-decorated or printed, in rolls or rectangular (including square) sheets, of any size, other than goods of the kind described in heading 48.03, 48.09 or 48.10.	<i>As specified for split heading</i>
ex48.11(a)	-Ink-jet imaging paper and paperboard coated, impregnated or covered with plastic	CTHS
ex48.11(b)	-Other	CTH

14. Heading 48.23**a. Recommendation by the Secretariat**

HS 2002	Description	Rule
48.23	Other paper, paperboard, cellulose wadding and webs of cellulose fibres, cut to size or shape; other articles of paper pulp, paper, paperboard, cellulose wadding or webs of cellulose fibres.	<i>As specified for split heading</i>
ex48.23(a)	- Uncoated kraft paper and paperboard, other than that of heading 48.02 or 48.03 in strips or rolls of a width exceeding 15cm but not exceeding 36cm	CTH
ex48.23(b)	- Other uncoated paper and paperboard, not further worked or processed than as specified in Note 3 to this Chapter in strips or rolls of a width exceeding 15 cm but not exceeding 36cm,	CTH
ex48.23(c)	- Vegetable parchment, greaseproof papers, tracing papers and glassine and other glazed transparent or translucent papers, in strips or rolls of a width exceeding 15cm but not exceeding 36cm	CTH
ex48.23(d)	- Composite paper and paperboard (made by sticking flat layers of paper or paperboard together with an adhesive), not surface-coated or impregnated, whether or not internally reinforced, in strips or rolls of a width exceeding 15 cm but not exceeding 36cm	CTH
ex48.23(e)	- Paper and paperboard, corrugated (with or without glued flat surface sheets), whether or not perforated other than paper of the kind described in heading 48.03, in strips or rolls of a width exceeding 15cm but not exceeding 36cm; kraft paper, creped or crinkled, whether or not embossed or perforated, in strips or rolls other than paper of the kind described in heading 48.03, of a width exceeding 15cm but not exceeding 36cm	CTHS
ex48.23(f)	- Paper and paperboard, corrugated (with or without glued flat surface sheets), creped, crinkled, embossed or perforated, in strips or rolls other than paper of the kind described in heading 48.03, of a width exceeding 15cm but not exceeding 36cm, other than paper and paperboard covered by split heading ex48.23(e)	CC
ex48.23(g)	- Other, in strips or rolls, of a width not exceeding 15cm or in rectangular (including square) sheets no side exceeding 36cm	CTHS

HS 2002	Description	Rule
ex48.23(h)	- Other	CTHS, except from ex48.02(a), ex48.10(b), ex48.11(c) or ex48.23(g)

Comment: If the headings in Chapter 48 are solved for the transposition exercise 1996-2002, this will also solve the challenges for the 2002-2007 transposition exercise, as the WTO Secretariat for the 2002-2007 rectification worked on a non-simplified version of the HS 2002.

**TRANSPOSITION EXERCISE
HS 2002 TO HS 2007**

1. Chapters 28 and 29.

In view of the Chapter Primary Rules for Chapters 28 and 29 which provide for a chemical reaction as well as mixing and blending as origin conferring processes, the WCO Secretariat recommends a simple CTSH rule for the following headings:

28.11, 28.24, 28.25, 28.26, 28.27, 28.30, 28.33, 28.34, 28.35, 28.39, 28.41, 28.42, 28.43, 28.49, 28.51, 28.52, 29.03, 29.05, 29.06, 29.07, 29.08, 29.09, 29.10, 29.12, 29.15, 29.16, 29.17, 29.18, 29.20, 29.21, 29.22, 29.24, 29.25, 29.30, 29.31, 29.32, 29.34, 29.36, 29.39

2. Heading 33.01

a. Recommendation by the Secretariat

HS 2007	Description	Rule
33.01	Essential oils (terpeneless or not), including concretes and absolutes; resinoids; extracted oleoresins; concentrates of essential oils in fats, in fixed oils, in waxes or the like, obtained by enfleurage or maceration; terpenic by-products of the deterpenation of essential oils; aqueous distillates and aqueous solutions of essential oils.	CTSH

Comment: The WCO Secretariat recommends as a simplification to keep CTSH as the origin criterion for the whole heading because of the low trade volume

3. Heading 39.20

a. Recommendation by the Secretariat

HS 2007	Description	Rule
39.20	Other plates, sheets, film, foil and strip, of plastics, non-cellular and not reinforced, laminated, supported or similarly combined with other materials.	<i>As specified for subheading</i>
3920.10	- Of polymers of ethylene	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(a)
3920.20	- Of polymers of propylene	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(b)
3920.30	- Of polymers of styrene	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(c)
	- Of polymers of vinyl chloride:	
3920.43	-- Containing by weight not less than 6% of plasticisers	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(d)
3920.49	-- Other	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(e)
	- Of acrylic polymers:	
3920.51	-- Of poly(methyl methacrylate)	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(f)

HS 2007	Description	Rule
3920.59	-- Other	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(g)
	- Of polycarbonates, alkyd resins, polyallyl esters or other polyesters:	
3920.61	-- Of polycarbonates	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(h)
3920.62	-- Of poly(ethylene terephthalate)	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(i)
3920.63	-- Of unsaturated polyesters	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(j)
3920.69	-- Of other polyesters	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(k)
	- Of cellulose or its chemical derivatives:	
3920.71	-- Of regenerated cellulose	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(l)
3920.73	-- Of cellulose acetate	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics., except from split subheading ex3006.10(m)
3920.79	-- Of other cellulose derivatives	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(n)
	- Of other plastics:	
3920.91	-- Of poly(vinyl butyral)	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(o)
3920.92	-- Of polyamides	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(p)
3920.93	-- Of amino-resins	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(q)
3920.94	-- Of phenolic resins	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(r)
3920.99	-- Of other plastics	CTH or change within this heading following the vacuum disposition of metal on the surface of plastics, except from split subheading ex3006.10(s)

Comment: Many exceptions come from heading 30.06. A simplification may be possible after solving heading 30.06

4. Heading 39.21

a. Recommendation by the Secretariat

HS 2007	Description	Rule
39.21	Other plates, sheets, film, foil and strip, of plastics.	<i>As specified for subheading</i>
	- Cellular:	
3921.11	-- Of polymers of styrene	CTH or change within this heading to reinforced, laminated, or supported material, or change within this heading following the vacuum deposition of metal on the surface of plastics, except from split subheading ex3006.10(t)
3921.12	-- Of polymers of vinyl chloride	CTH or change within this heading to reinforced, laminated, or supported material, or change within this heading following the vacuum deposition of metal on the surface of plastics, except from split subheading ex3006.10(u)
3921.13	-- Of polyurethanes	CTH or change within this heading to reinforced, laminated, or supported material, or change within this heading following the vacuum deposition of metal on the surface of plastics, except from split subheading ex3006.10(v)
3921.14	-- Of regenerated cellulose	CTH or change within this heading to reinforced, laminated, or supported material, or change within this heading following the vacuum deposition of metal on the surface of plastics, except from split subheading ex3006.10(w)
3921.19	-- Of other plastics	CTH or change within this heading to reinforced, laminated, or supported material, or change within this heading following the vacuum deposition of metal on the surface of plastics, except from split subheading ex3006.10(x)
3921.90	- Other	CTH or change within this heading to reinforced, laminated, or supported material, or change within this heading following the vacuum deposition of metal on the surface of plastics.

Comment: Many exceptions come from heading 30.06. A simplification may be possible after solving heading 30.06

5. Heading 46.01

a. Recommendation by the Secretariat

HS 2007	Description	Rule
46.01	Plaits and similar products of plaiting materials, whether or not assembled into strips; plaiting materials, plaits and similar products of plaiting materials, bound together in parallel strands or woven, in sheet form, whether or not being finished articles (for example, mats, matting, screens).	<i>As specified for subheadings</i>
	- Mats, matting and screens of vegetable materials:	
4601.21	-- Of bamboo	CTSH, except from subheadings 4601.22 or 4601.29
4601.22	-- Of rattan	CTSH, except from subheadings 4601.21 or 4601.29

HS 2007	Description	Rule
4601.29	-- Other	CTSH, except from subheadings 4601.21 or 4601.22
	- Other:	
4601.92	-- Of bamboo	<i>As specified for split subheadings</i>
ex4601.92(a)	--- Plaits and similar products of plaiting materials, whether or not assembled into strips	CTH
ex4601.92(b)	--- Other	CTSHS, except from split subheadings ex4601.93(b) or ex4601.94(b)
4601.93	-- Of rattan	<i>As specified for split subheadings</i>
ex4601.93(a)	--- Plaits and similar products of plaiting materials, whether or not assembled into strips	CTH
ex4601.93(b)	--- Other	CTSHS, except from split subheadings ex4601.92(b) or ex4601.94(b)
4601.94	-- Of other vegetable materials	<i>As specified for split subheadings</i>
ex4601.94(a)	--- Plaits and similar products of plaiting materials, whether or not assembled into strips	CTH
ex4601.94(b)	--- Other	CTSHS, except from split subheadings ex4601.92(b) or ex4601.93(b)
4601.99	-- Other	<i>As specified for split subheadings</i>
ex4601.99(a)	--- Plaits and similar products of plaiting materials, whether or not assembled into strips	CTH
ex4601.99(b)	--- Other	CTSHS

6. Chapter 84

As a result of the creation of Heading 84.86, the technical rectification of certain headings within Chapter 84 ends up in a CTSH rules with exceptions referring to split headings in Heading 84.86. The WCO recommends that, once the recommendation on the simplification of Heading 84.86 has been agreed to be a simple CTSH rule, it should be considered not to create split headings with exceptions referring to Heading 84.86 for the following headings:

84.19, 84.21, 84.24, 84.28, 84.31, 84.56, 84.62, 84.64, 84.65, 84.66, 84.77, 84.80, 84.79.

7. Heading 84.86

a. Recommendation by the Secretariat

HS 2007	Description	Primary rules	
84.86	Machines and apparatus of a kind used solely or principally for the manufacture of semiconductor boules or wafers, semiconductor devices, electronic integrated circuits or flat panel displays; machines and apparatus specified in Note 9 (C) to this Chapter; parts and accessories.		
8486.10	- Machines and apparatus for the manufacture of boules or wafers	<i>As specified for split subheadings</i>	
ex8486.10(a)	-- "Machinery, plant or laboratory equipment, other than non-electric instantaneous or storage water heaters, medical surgical or laboratory sterilisers, dryers or rectifying plant, heat exchange products, other machinery, plant and equipment for making hot drinks or for cooking or heating food"	CTSHS, except from split subheading 8419.89(a)	
ex8486.10(b)	-- products classified in HS2002 subheading 8421.19	CTSHS, except from subheading 8421.19	

HS 2007	Description	Primary rules	
ex8486.10(c)	-- products classified in HS2002 subheading 8456.10	CTSHS	
ex8486.10(d)	-- products classified in HS2002 subheading 8456.99	CTSHS,	
ex8486.10(e)	-- products classified in HS2002 subheading 8464.10	CTSHS	
ex8486.10(f)	-- products classified in HS2002 subheading 8464.20	CTSHS	
ex8486.10(g)	-- products classified in HS2002 subheading 8464.90	CTSHS	
ex8486.10(h)	-- products classified in HS2002 subheading 8479.89	CTSHS	
ex8486.10(i)	-- products classified in HS2002 subheading 8514.10	CTSHS	
ex8486.10(j)	-- products classified in HS2002 subheading 8514.20	CTSHS	
ex8486.10(k)	-- products classified in HS2002 subheading 8514.30	CTSHS	
ex8486.10(l)	-- products classified in HS2002 subheading 8543.89	CTSHS	
8486.20	- Machines and apparatus for the manufacture of semiconductor devices or of electronic integrated circuits	<i>As specified for split subheadings</i>	
ex8486.20(a)	-- products classified in HS2002 subheading 8419.89	CTSHS	
ex8486.20(b)	-- products classified in HS2002 subheading 8421.19	CTSHS	
ex8486.20(c)	-- products classified in HS2002 subheading 8424.89	CTSHS	
ex8486.20(d)	-- products classified in HS2002 subheading 8456.10	CTSHS	
ex8486.20(e)	-- products classified in HS2002 subheading 8456.91	CTSHS	
ex8486.20(f)	-- products classified in HS2002 subheading 8462.21	CTSHS	
ex8486.20(g)	-- products classified in HS2002 subheading 8462.29	CTSHS	
ex8486.20(h)	-- products classified in HS2002 subheading 8464.20	CTSHS	
ex8486.20(i)	-- products classified in HS2002 subheading 8464.90	CTSHS	
ex8486.20(j)	-- products classified in HS2002 subheading 8465.99	CTSHS	
ex8486.20(k)	-- products classified in HS2002 subheading 8477.20	CTSHS	
ex8486.20(l)	-- products classified in HS2002 subheading 8477.30	CTSHS	
ex8486.20(m)	-- products classified in HS2002 subheading 8477.80	CTSHS	
ex8486.20(n)	-- products classified in HS2002 subheading 8479.89	CTSHS	
ex8486.20(o)	-- products classified in HS2002 subheading 8514.10	CTSHS	
ex8486.20(p)	-- products classified in HS2002 subheading 8514.20	CTSHS	
ex8486.20(q)	-- products classified in HS2002 subheading 8514.30	CTSHS	
ex8486.20(r)	-- products classified in HS2002 subheading 8515.80	CTSHS	
ex8486.20(s)	-- products classified in HS2002 subheading 8543.11	CTSHS	
ex8486.20(t)	-- products classified in HS2002 subheading 8543.89	CTSHS	
ex8486.20(u)	-- products classified in HS2002 subheading 9010.41	CTSHS	

HS 2007	Description	Primary rules	
ex8486.20(v)	-- products classified in HS2002 subheading 9010.42	CTSHS	
ex8486.20(w)	-- products classified in HS2002 subheading 9010.49	CTSHS	
8486.30	- Machines and apparatus for the manufacture of flat panel displays	<i>As specified for split subheadings</i>	
ex8486.30(a)	-- products classified in HS2002 subheading 8421.19	CTSHS	
ex8486.30(b)	-- products classified in HS2002 subheading 8424.89	CTSHS	
ex8486.30(c)	-- products classified in HS2002 subheading 8456.10	CTSHS	
ex8486.30(d)	-- products classified in HS2002 subheading 8456.20	CTSHS	
ex8486.30(e)	-- products classified in HS2002 subheading 8456.30	CTSHS	
ex8486.30(f)	-- products classified in HS2002 subheading 8456.99	CTSHS	
ex8486.30(g)	-- products classified in HS2002 subheading 8464.10	CTSHS	
ex8486.30(h)	-- products classified in HS2002 subheading 8464.20	CTSHS	
ex8486.30(i)	-- products classified in HS2002 subheading 8464.90	CTSHS	
ex8486.30(j)	-- products classified in HS2002 subheading 8479.50	CTSHS	
ex8486.30(k)	-- products classified in HS2002 subheading 8479.89	CTSHS	
ex8486.30(l)	-- products classified in HS2002 subheading 8543.89	CTSHS	
ex8486.30(m)	-- products classified in HS2002 subheading 9010.50	CTSHS	
8486.40	- Machines and apparatus specified in Note 9 (c) to this Chapter	<i>As specified for split subheadings</i>	
ex8486.40(a)	-- products classified in HS2002 subheading 8428.39	CTSHS	
ex8486.40(b)	-- products classified in HS2002 subheading 8428.90	CTSHS	
ex8486.40(c)	-- products classified in HS2002 subheading 8456.99	CTSHS	
ex8486.40(d)	-- products classified in HS2002 subheading 8465.99	CTSHS	
ex8486.40(e)	-- products classified in HS2002 subheading 8477.10	CTSHS	
ex8486.40(f)	-- products classified in HS2002 subheading 8477.40	CTSHS	
ex8486.40(g)	-- products classified in HS2002 subheading 8477.59	CTSHS	
ex8486.40(h)	-- products classified in HS2002 subheading 8479.89	CTSHS	
ex8486.40(i)	-- products classified in HS2002 subheading 8480.71	CTSHS	
ex8486.40(j)	-- products classified in HS2002 subheading 8515.19	CTSHS	
ex8486.40(k)	-- products classified in HS2002 subheading 8515.21	CTSHS	
ex8486.40(l)	-- products classified in HS2002 subheading 8515.29	CTSHS	
ex8486.40(m)	-- products classified in HS2002 subheading 8515.80	CTSHS	
ex8486.40(n)	-- products classified in HS2002 subheading 8543.89	CTSHS	
ex8486.40(o)	-- products classified in HS2002 subheading 9011.10	CTSHS	
ex8486.40(p)	-- products classified in HS2002 subheading 9011.20	CTSHS	

HS 2007	Description	Primary rules	
ex8486.40(q)	-- products classified in HS2002 subheading 9012.10	CTSHS	
ex8486.40(r)	-- products classified in HS2002 subheading 9017.20	CTSHS	
8486.90	- Parts and accessories	<i>As specified for split subheadings</i>	
ex8486.90(a)	-- products classified in HS2002 subheading 8419.90	CTSHS	
ex8486.90(b)	-- products classified in HS2002 subheading 8421.91	CTSHS	
ex8486.90(c)	-- products classified in HS2002 subheading 8424.90	CTSHS	
ex8486.90(d)	-- products classified in HS2002 subheading 8431.39	CTSHS	
ex8486.90(e)	-- products classified in HS2002 subheading 8466.10	CTSHS	
ex8486.90(f)	-- products classified in HS2002 subheading 8466.20	CTSHS	
ex8486.90(g)	-- products classified in HS2002 subheading 8466.30	CTSHS	
ex8486.90(h)	-- products classified in HS2002 subheading 8466.91	CTSHS	
ex8486.90(i)	-- products classified in HS2002 subheading 8466.92	CTSHS	
ex8486.90(j)	-- products classified in HS2002 subheading 8466.93	CTSHS	
ex8486.90(k)	-- products classified in HS2002 subheading 8466.94	CTSHS	
ex8486.90(l)	-- products classified in HS2002 subheading 8477.90	CTSHS	
ex8486.90(m)	-- products classified in HS2002 subheading 8479.90	CTSHS	
ex8486.90(n)	-- products classified in HS2002 subheading 8514.90	CTSHS	
ex8486.90(o)	-- products classified in HS2002 subheading 8515.90	CTSHS	
ex8486.90(p)	-- products classified in HS2002 subheading 8543.90	CTSHS	
ex8486.90(q)	-- products classified in HS2002 subheading 9010.90	CTSHS	
ex8486.90(r)	-- products classified in HS2002 subheading 9011.90	CTSHS	
ex8486.90(s)	-- products classified in HS2002 subheading 9012.90	CTSHS	
ex8486.90(t)	-- products classified in HS2002 subheading 9017.90	CTSHS	

Comment: The exercise conducted for split subheading ex8486.10(a) should be conducted for all other new split headings which have been introduced in the HS2007 nomenclature. Nevertheless, the Secretariat is of the view that the result of that exercise would be impractical, as seen for split heading 8486.10(a) in the table above. Therefore, the Secretariat would suggest deleting these split subheadings. The rule for heading 84.86 would, in that case, be 'CTSH'.

8. Heading 85.08

a. Recommendation by the Secretariat

HS 2007	Description	Primary rules	
85.08	Vacuum cleaners.	<i>As specified for subheadings</i>	CTH; except from 85.01; or 35% value added rule
	- With self-contained electric motor:		

HS 2007	Description	Primary rules	
8508.11	-- Of a power not exceeding 1,500 W and having a dust bag or other receptacle capacity not exceeding 20l	CTSH, except from subheading 8508.19	
8508.19	-- Other	CTSH, except from subheadings 8479.89, 8508.11, split subheadings ex8486.10(a), ex8486.20(a), ex8486.40(h) or ex8486.60(m)	
8508.60	- Other vacuum cleaners	CTSH, except from heading 8479.89, split subheadings ex8486.10(a), ex8486.20(a), ex8486.30(k), or ex8486.40(h)	
8508.70	- Parts	CTH, except from headings 8479.90, 8509.90 or split subheading ex8486.90(m)	

9. Heading 85.14

a. Recommendation by the Secretariat

HS 2007	Description	Primary rules	
85.14	Industrial or laboratory electric furnaces and ovens (including those functioning by induction or dielectric loss); other industrial or laboratory equipment for the heat treatment of materials by induction or dielectric loss.	<i>As specified for subheadings</i>	CTH; or 35% value added rule
8514.10	- Resistance heated furnaces and ovens	CTSH, except from split subheadings ex8486.10(i) or ex8486.20(o)	
8514.20	- Furnaces and ovens functioning by induction or dielectric loss	CTSH, except from split subheadings ex8486.10(j) or ex8486.20(p)	
8514.30	- Other furnaces and ovens	CTSH, except from split subheadings ex8486.10(k) or ex8486.20(q)	
8514.40	- Other equipment for the heat treatment of materials by induction or dielectric loss	CTSH	
8514.90	- Parts	CTH, except from split subheading ex8486.90(n)	

Comments: In the HS2007 nomenclature, part of heading 85.14 has been moved to a new heading 84.86. Accordingly, the creation of new exceptions may be necessary to prevent widening the scope of the rule of origin. However, the Secretariat is of the view that the CTH rule is enough for subheading 8514.90 and would suggest deleting the newly created exceptions.

10. Heading 85.15

a. Recommendation by the Secretariat

HS 2007	Description	Primary rules	
	- Brazing or soldering machines and apparatus:	<i>As specified for subheading</i>	CTH; or 35% value added rule
8515.11	-- Soldering irons and guns	CTSH	
8515.19	-- Other	CTSH, except from split subheading ex8486.40(j)	
	- Machines and apparatus for resistance welding of metal:		

HS 2007	Description	Primary rules	
8515.21	-- Fully or partly automatic	CTSH, except from split subheading ex8486.40(k)	
8515.29	-- Other	CTSH, except from split subheading ex8486.40(l)	
	- Machines and apparatus for arc (including plasma arc) welding of metals:		
8515.31	-- Fully or partly automatic	CTSH	
8515.39	-- Other	CTSH	
8515.80	- Other machines and apparatus	CTSH, except from split subheading ex8486.20(r) or ex8486.40(m)	
8515.90	- Parts	CTH, except for split subheading ex8486.90(o)	

Comments: In the HS2007 nomenclature, part of heading 84.15 has been moved to a new heading 84.86. Accordingly, the creation of new exceptions may be necessary to prevent widening the scope of the rule of origin. However, the Secretariat is of the view that the CTH rule is enough for subheading 8515.90 and would suggest deleting the newly created exceptions.

11. Heading 85.17

a. Recommendation by the Secretariat

HS 2007	Description	Primary rules	
85.17	Telephone sets, including telephones for cellular networks or for other wireless networks; other apparatus for the transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network), other than transmission or reception apparatus of heading 84.43, 85.25, 85.27 or 85.28.	<i>As specified for subheadings and split subheadings</i>	CTH; or 35% value added rule
	- Telephone sets, including telephones for cellular networks or for other wireless networks:		
8517.11	-- Line telephone sets with cordless handsets	CTSH	
8517.12	-- Telephones for cellular networks or for other wireless networks	CTSH, except from subheadings 8517.61, 8517.62 or subheading 8526.60	
8517.18	-- Other	<i>As specified for split subheading</i>	
ex8517.18(a)	-- Videophones, fitted with an encryption system	CTSHS, except from subheading 8517.69	
ex8517.18(b)	-- Other	CTSH, except from subheading 8517.69	
	- Other apparatus for transmission or reception of voice, images or other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network):		
8517.61	-- Base stations	CTSH, except from subheading 8517.62	
8517.62	-- Machines for the reception, conversion and transmission or regeneration of voice, images or other data, including switching and routing apparatus	CTSH, except from subheading 8471.80, 8443.32, 8517.61 or split subheading 8525.60(a)	
8517.69	-- Other	CTSH, except from subheading 8527.99	
8517.70	- Parts	<i>As specified for split subheadings</i>	

HS 2007	Description	Primary rules	
ex8517.70(a)	- Parts, fitted with an encryption system	CTSHS, except from subheading 8443.99 or split heading ex84.73(b)	
ex8517.70(b)	- other parts suitable for use solely or principally with the apparatus of headings Nos.85.25 to 85.28, fitted with an encryption system	CTSHS, except from split subheading ex8529.90(b)	
ex8517.70(c)	Other	CTSH	

12. Heading 85.25

a. Recommendation by the Secretariat

HS 2007	Description	Primary rules	
85.25	Transmission apparatus for radio-telephony, radio-telegraphy, radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras; still image video cameras and other video camera recorders; digital cameras.	<i>As specified for subheadings and split subheadings</i>	45% value added rule
8525.50	- Transmission apparatus	CTH, except from subheadings 8517.61 or 8517.62	
8525.60	- Transmission apparatus incorporating reception apparatus	<i>As specified for spit subheadings</i>	
ex8525.60(a)	-- Transmission apparatus incorporating reception apparatus, fitted with and encryption system	CTSHS, except from subheadings 8517.12, 8517.61 or 8517.62	
ex8525.60(b)	-- Other	CTH	
8525.80	- Television cameras, digital cameras and video camera recorders	CTH	