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Committee on Rules of Origin

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**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 11 February 2014, 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the transposition of the draft text of non-preferential rules of origin, contained in document G/RO/W/111/Rev.6, to a newer version of the HS nomenclature, taking into account the technicality of the undertaking and the TCRO's high capability to assist such work.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 at its 31st session in January 2013 focussing on the examination of those possible complex cases for the transpositions into HS versions 2002 and 2007. The document has been forwarded to the CRO Chair as WCO Secretariat recommendations in March 2013.

For the transposition into HS 2012, the WCO Secretariat had prepared a similar document for examination by the TCRO at its 32nd session in January 2014. During the discussions Members made a couple of suggestions for further simplification of the rules of origin. The TCRO then 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 options 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 22 March 2013 the Director of Tariff and Trade Affairs addressed a letter to the Chairperson of the CRO 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 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 at 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."

7. The WCO Secretariat has analysed the transposition documents received from the WTO. The WCO Secretariat revised the HS Transposition from 1996 to 2002 and from 2002 to 2007 in Document OC0168E1a. As indicated above this was published for the 31st Session of the TCRO. The present document addresses the HS Transposition from 2007 to 2012.

8. The result of the TCRO's discussions will be forwarded to the CRO as WCO Secretariat recommendations to be duly utilized for the CRO's consideration.

CONCLUSION

9. The Committee is invited to discuss the transposed rules of origin compiled in the Annex 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 EXERCISEHS 2007 TO HS 2012**1. Heading 03.08.****(a) Recommendation by the Secretariat:**

HS2012	Description	Rule
03.08	Aquatic invertebrates other than crustaceans and molluscs, live, fresh, chilled, frozen, dried, salted or in brine; smoked aquatic invertebrates other than crustaceans and molluscs, whether or not cooked before or during the smoking process; flours, meals and pellets of aquatic invertebrates other than crustaceans and molluscs, fit for human consumption.	<i>As specified for split headings</i>
ex03.08(a)	- Dried	CTHS, except from split heading ex03.07(a)
ex03.08(b)	- Flours	CTHS except from split heading ex03.07(c) and ex03.08(c)
ex03.08(c)	- Meals and pellets	CTHS except from split heading ex03.07(b) and ex03.08(b)
ex03.08(d)	- Smoked	CTHS, except from heading 16.05
ex03.08(e)	- Other	The origin shall be the country where the animals have been captured or gathered.

Comment: Heading 03.08 has been created to provide separately for aquatic invertebrates other than crustaceans and molluscs. The Secretariat recommends to delete the exceptions from ex03.07(a), ex03.07(b) and ex03.07(c) as the description of heading 03.08 already clarifies that molluscs do not fall within the scope of heading 03.08. Deleting the exception from 16.05 is explained under heading 16.05.

2. Heading 16.05.**(a) Recommendation by the Secretariat:**

HS2012	Description	Rule
16.05	Crustaceans, molluscs and other aquatic invertebrates, prepared or preserved.	<i>As specified for subheadings</i>
1605.10	- Crab	[CTH, except from split heading 03.06(d)]
	- Shrimps and prawns:	
1605.21	-- Not in airtight container	[CTH, except from split heading 03.06(d)]
1605.29	-- Other	[CTH, except from split heading 03.06(d)]
1605.30	- Lobster	[CTH, except from split heading 03.06(d)]
1605.40	- Other crustaceans	[CTH, except from split heading 03.06(d)]
	- Molluscs:	
1605.51	-- Oysters	[CTH, except from split heading 03.07(d)]
1605.52	-- Scallops, including queen scallops	[CTH, except from split heading 03.07(d)]
1605.53	-- Mussels	[CTH, except from split heading 03.07(d)]
1605.54	-- Cuttle fish and squid	[CTH, except from split heading 03.07(d)]
1605.55	-- Octopus	[CTH, except from split heading 03.07(d)]
1605.56	-- Clams, cockles and arkshells	[CTH, except from split heading 03.07(d)]
1605.57	-- Abalone	[CTH, except from split heading 03.07(d)]
1605.58	-- Snails, other than sea snails	[CTH, except from split heading 03.07(d)]
1605.59	-- Other	[CTH, except from split heading 03.07(d)]
	- Other aquatic invertebrates:	
1605.61	-- Sea cucumbers	[CTH, except from split heading 03.08(d)]
1605.62	-- Sea urchins	[CTH, except from split heading 03.08(d)]
1605.63	-- Jellyfish	[CTH, except from split heading 03.08(d)]
1605.64	-- Other	[CTH, except from split heading 03.08(d)]

Comment: Smoked crustaceans, molluscs, and other aquatic invertebrates were classified in HS2007 heading 16.05. They have been transferred to HS2012 headings 03.06, 03.07, and 03.08 respectively. However, the Secretariat is of the view that the exceptions from Chapter 3 are not necessary under heading 16.05 as Harmonized System Note 1 to Chapter 16 specifies that Chapter 16 does not cover meat, meat

offal, fish, crustaceans, molluscs or other aquatic invertebrates, prepared or preserved by the processes specified in Chapter 2 or 3 or heading 05.04.

Therefore, also exceptions of heading 16.05 in headings 03.06, 03.07, and 03.08 can be deleted.

3. 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 CTS rule for the following headings:

- 28.30, 28.35, 28.42, 28.49, 29.03, 29.08, 29.12, 29.14, 29.16, 29.32, 29.33, 29.34, 29.37, 29.39.

For headings 28.48, 28.50 and 29.31 the WCO Secretariat recommends keeping the simple CTH rule.

4. Heading 28.52.

(a) Recommendation by the Secretariat:

HS2012	Description	Rule
28.52	Compounds, inorganic or organic, of mercury, excluding amalgams.	<i>As specified for split headings</i>
ex28.52(a)	- Of mercury oxides or hydroxide	CTHS, except from subheading 2825.90.
ex28.52(b)	- Of mercury chlorides	CTHS, except from split subheading ex2827.39(e)
ex28.52(c)	- Of mercury chloride oxides and chloride hydroxides	CTHS, except from subheading 2827.49
ex28.52(d)	- Of mercury iodides and mercury iodides oxides	CTHS, except from subheading 2827.60
ex28.52(e)	- Of mercury sulphides; mercury polysulphides	CTHS, except from split subheading ex2830.90(c)
ex28.52(f)	- Of mercury sulphates	CTHS, except from split subheading ex2833.29(c)
ex28.52(g)	-Of mercury nitrates	CTHS, except from split subheading ex2834.29(b).
ex28.52(h)	- Of mercury polyphosphates	CTHS, except from subheading 2835.39
ex28.52(i)	- Of mercury cyanides and oxycyanide	CTHS, except from subheading 2837.19
ex28.52(j)	- Of mercury complex cyanides	CTHS, except from subheading 2837.20
ex28.52(k)	- Of mercury fulminates, cyanates and thiocyanates	CTHS, except from split subheading ex2842.90(a)
ex28.52(l)	- Of mercury chromates, dichromates and peroxochromates	CTHS, except from split subheading ex2841.50(c)
ex28.52(m)	- Of mercury double or complex silicates, including aluminosilicates	CTHS, except split subheadings ex2842.10(a) or ex2842.10(b)
ex28.52(n)	- Of other salts of inorganic acids or peroxyacids of mercury	CTHS, except subheading 2842.90
ex28.52(o)	- Of inorganic and organic compounds of precious metals with Mercury	CTHS, except from subheading 2843.90.
ex28.52(p)	- Of mercury phosphides	CTHS, except from heading 28.48
ex28.52(q)	- Of carbides of mercury	CTHS, except from subheading 2849.90
ex28.52(r)	- Of mercury hydrides, nitrides, azides, silicides and borides	CTHS, except from heading 28.50
ex28.52(s)	- Of other inorganic compounds of mercury	CTHS, except from heading 28.53
ex28.52(t)	- Of mercury lactic acid, its salts and esters	CTHS, except from subheading 2918.11

HS2012	Description	Rule
ex28.52(u)	- Of other mercury organo-inorganic compounds	CTHS, except from heading 29.31
ex28.52(v)	- Of mercury heterocyclic compounds with oxygen hetero-atom(s) only.	CTHS, except from subheading 2932.99
ex28.52(w)	Of other mercury Heterocyclic compounds with nitrogen hetero-atom(s) only	CTHS, except from subheading 2934.99
ex28.52(x)	- Of other Mercury tanning extracts of vegetable origin; tannins and their salts, ethers, asters and other derivatives.	CTHS, except from subheading 3201.90
ex28.52(y)	- Of inorganic Mercury products of a kind used as luminophores	CTHS, except from subheading 3206.50
ex28.52(z)	Of mercury Albumins (including concentrates of two or more whey proteins, containing by weight more than 80% whey proteins, calculated on the dry matter), albuminates and other albumin derivatives.	CTHS, except from subheading 3502.90
ex28.52(zi)	Of mercury Peptones and their derivatives; other protein substances and their derivatives, not elsewhere specified or included; hide powder, whether or not chromed.	CTHS, except from subheading 3504.00
ex28.52(zii)	Of other Mercury Chemical preparations for photographic uses (other than varnishes, glues, adhesives and similar preparations); unmixed products for photographic uses, put up in measured portions or put up for retail sale in a form ready for use.	CTHS, except from subheading 3707.90
ex28.52(ziii)	Of mercury Diagnostic or laboratory reagents on a backing, prepared diagnostic or laboratory reagents whether or not on a backing, other than those of heading 30.02 or 30.06; certified reference materials.	CTHS, except from subheading 3822.00
ex28.52(ziv)	Of other casein glues	CTHS, except from split subheading ex3501.90(b)
ex28.52(zv)	Of other Prepared culture media for the development or maintenance of micro-organisms (including viruses and the like) or of plant, human or animal cells	CTHS, except from split subheading ex3824.90(b)

Comment: As indicated by the WTO Secretariat in HS2012, the amendment to the nomenclature occurs at subheading level and does not alter the scope of the rule as rectified in HS2007 version. The 2007 rule can be transposed directly. The WCO Secretariat recommends removing the exceptions and keeping a simple CTHS rule for split headings under 28.52 or just a simple CTHS rule for heading 28.52.

5. Heading 30.02.

(a) Recommendation by the Secretariat:

HS2012	Description	Rule
30.02	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.	<i>As specified for subheading</i>
3002.10	- Antisera and other blood fractions and modified immunological products, whether or not obtained by means of biotechnological processes	CTSH, except from subheadings 2933.29, 2934.99, 3002.20, 3002.90, 3907.20, 3913.90, split subheadings ex2937.90(g) or ex3006.92(d)
3002.20	- Vaccines for human medicine	CTSH, except from split subheading ex3006.92(e)
3002.30	- Vaccines for veterinary medicine	CTSH, except from split subheading ex3006.80(f)
3002.90	- Other	CTSH, except from subheading 2933.29, 3002.10 or from split subheading ex3006.92(g)

Comment: A technical rectification was necessary in the HS2012. As part of the products classified in S2012 subheading 3002.10 and 3002.90 were previously classified in HS2007 subheadings 2933.29, 2934.99, 3002.10, 3002.20, 3002.90, 3907.20 and 3913.90, the rule can be transposed by including an exception. It should also be

noted that split subheadings ex3006.80(a) onwards (in the exceptions) have been renumbered ex3006.92 from the HS2007. The WCO Secretariat recommends as a simplification to keep CTSH as the origin criterion for the whole heading.

6. Heading 38.24.

(a) Recommendation by the Secretariat:

HS 2012	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.	<i>As specified for subheading</i>
3824.10	- Prepared binders for foundry moulds or cores	CTSH
3824.30	- Non-agglomerated metal carbides mixed together or with metallic binders	CTSH
3824.40	- Prepared additives for cements, mortars or concretes	CTSH
3824.50	- Non-refractory mortars and concretes	CTSH
3824.60	- Sorbitol other than that of subheading 2905.44	CTSH
	- Mixtures containing halogenated derivatives of methane, ethane or propane:	
3824.71	-- Containing chlorofluorocarbons (CFCs), whether or not containing hydrochlorofluorocarbons (HCFCs), perfluorocarbons (PFCs) or hydrofluorocarbons (HFCs)	CTSH, except from split subheading 3824.90(b) or ex3825.41(a) (perhalogenated waste organic solvents)
3824.72	-- Containing bromochlorodifluoromethane, bromotrifluoromethane or dibromotetrafluoroethanes	CTSH, except from subheading 3824.71, 3824.73, 3824.74, 3824.75, 3824.76, 3824.77, 3824.78, 3824.79, 3824.81, 3824.82, 3824.83 or split subheading 3824.90(b)
3824.73	-- Containing hydrobromofluorocarbons (HBFCs)	CTSH, except from subheading 3824.71, 3824.72, 3824.74, 3824.75, 3824.76, 3824.77, 3824.78, 3824.79, 3824.81, 3824.82, 3824.83 or split subheading 3824.90(b)
3824.74	-- Containing hydrochlorofluorocarbons (HCFCs), whether or not containing perfluorocarbons (PFCs) or hydrofluorocarbons (HFCs), but not containing chlorofluorocarbons (CFCs)	CTSH, except from subheading 3824.71, 3824.72, 3824.73, 3824.75, 3824.76, 3824.77, 3824.78, 3824.79, 3824.81, 3824.82, 3824.83 or split subheading 3824.90(b)
3824.75	-- Containing carbon tetrachloride	CTSH, except from subheading 3824.71, 3824.72, 3824.73, 3824.74, 3824.76, 3824.77, 3824.78, 3824.79, 3824.81, 3824.82, 3824.83 or split subheading 3824.90(b)
3824.76	-- Containing 1,1,1-trichloroethane (methyl chloroform)	CTSH, except from subheading 3824.71, 3824.72, 3824.73, 3824.74, 3824.75, 3824.77, 3824.78, 3824.79, 3824.81, 3824.82, 3824.83 or split subheading 3824.90(b)
3824.77	-- Containing bromomethane (methyl bromide) or bromochloromethane	CTSH, except from subheading 3824.71, 3824.72, 3824.73, 3824.74, 3824.75, 3824.76, 3824.78, 3824.79, 3824.81, 3824.82, 3824.83 or split subheading 3824.90(b)
3824.78	-- Containing perfluorocarbons (PFCs) or hydrofluorocarbons (HFCs), but not containing chlorofluorocarbons (CFCs) or hydrochlorofluorocarbons (HCFCs)	CTSH, except from subheading 3824.71, 3824.72, 3824.73, 3824.74, 3824.75, 3824.76, 3824.77, 3824.79, 3824.81, 3824.82, 3824.83 or split subheading 3824.90(b)
3824.79	-- Other	CTSH, except from subheadings 3824.71, 3824.72, 3824.73, 3824.74, 3824.75, 3824.76, 3824.77, 3824.78, 3824.81, 3824.82, 3824.83 or split subheading 3824.90(b) or ex3825.41(a) (perhalogenated waste organic solvents)

HS 2012	Description	Rule
	- Mixtures and preparations containing oxirane (ethylene oxide), polybrominated biphenyls (PBBs), polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or tris(2,3-dibromopropyl) phosphate:	
3824.81	-- Containing oxirane (ethylene oxide)	CTSH, except from subheading 3824.71, 3824.72, 3824.73, 3824.74, 3824.75, 3824.76, 3824.77 3824.78, 3824.79, 3824.82, 3824.83 or split subheading ex3824.90(b)
3824.82	-- Containing polychlorinated biphenyls (PCBs), polychlorinated terphenyls (PCTs) or polybrominated biphenyls (PBBs)	CTSH, except from subheading 3824.71, 3824.72, 3824.73, 3824.74, 3824.75, 3824.76, 3824.77 3824.78, 3824.79, 3824.81, 3824.83 or split subheading ex3824.90(b)
3824.83	-- Containing tris(2,3-dibromopropyl) phosphate	CTSH, except from subheading 3824.71, 3824.72, 3824.73, 3824.74, 3824.75, 3824.76, 3824.77 3824.78, 3824.79, 3824.81, 3824.82 or split subheading ex3824.90(b)
3824.90	- Other	<i>As specified for split subheading</i>
ex3824.90(a)	-- Naphthenic acids, their water-insoluble salts and their esters	CTSHS
ex3824.90(b)	-- Other	CTSHS, except from heading 38.26, subheading, 3006.70, 3824.71, 3824.72, 3824.73, 3824.74, 3824.75, 3824.76, 3824.77, 3824.78, 3824.79, 3824.81, 3824.82, 3824.83, 3825.10, 3825.20, 3825.49, 3825.50, 3825.61, 3825.69 or 3825.90 or split heading 28.52(zv), split subheading ex2842.10(a), ex3006.92(l), 3825.30(a) or ex3825.41(b) (other than perhalogenated waste organic solvents)

Comment: The HS 1996-2002 and HS 2002-2007 transposition Document OC0168E1a refers to heading 38.24. If heading 38.24 is solved for the transposition exercise 1996-2002, this will in principle also solve the challenges for the 2002-2007 and 2007-2012 transposition exercise, as the WTO Secretariat for the 2002-2007 and 2007-2012 rectification worked on a non-simplified version of the HS 2002 and HS 2007. The WCO Secretariat recommends as a simplification to keep CTSH without the exceptions as the origin criterion.

7. Heading 48.08.

(a) Recommendation by the Secretariat:

HS2012	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 No. 48.03.	<i>As specified for subheadings</i>
4808.10	- Corrugated paper and paperboard, whether or not perforated	CTH, except from split heading ex48.23(e)
4808.40	- Kraft paper, creped or crinkled, whether or not embossed or perforated	CTH, except from split heading ex48.23(e)
4808.90	- Other	CC, except from split heading ex48.23(e)

Comment: A simplification of heading 48.08 was also recommended in the previous transposition Document OC0168E1a. At HS 2012 level subheadings 4808.20 and 4808.30 have been merged into new subheading 4808.40 because of the low volume of trade. The WCO Secretariat suggests deleting the remaining exceptions.

8. Heading 74.18.**(a) Recommendation by the Secretariat:**

HS2012	Description	Rule
74.18	Table, kitchen or other household articles and parts thereof, of copper; pot scourers and scouring or polishing pads, gloves and the like, of copper; sanitary ware and parts thereof, of copper.	<i>As specified for split heading</i>
ex74.18(a)	- Cooking or heating apparatus of a kind used for domestic purposes, non-electric, and parts thereof, of copper.	CTHS, except from split subheading ex7419.99(c)
ex74.18(b)	- Other	CTHS

Comment: In HS2012, the amendment to the nomenclature occurs at subheading level and does not alter the scope of the rule, which is set at split heading level. Therefore, no modification is needed; the rule can be transposed directly. However, as noted in JOB/RO/3/Rev.1, the Secretariat is of the view that the change from split heading ex74.18(a) to ex74.18(b) is unfeasible. Therefore, the rule for heading 74.18 could be "CTH".

9. Heading 84.52.**(a) Recommendation by the Secretariat:**

HS2012	Description	Rule
84.52	Sewing machines, other than book-sewing machines of heading No. 84.40; furniture, bases and covers specially designed for sewing machines; sewing machine needles.	<i>As specified for subheadings</i> CTH; or 35% value-added rule
8452.10	- Sewing machines of the household type - Other sewing machines:	CTSH
8452.21	-- Automatic units	CTSH
8452.29	-- Other	CTSH
8452.30	- Sewing machine needles	CTSH
8452.90	- Furniture, bases and covers for sewing machines and parts thereof; other parts of sewing machines:	<i>As specified for split subheading</i>
ex.8452.90(a)	-- Furniture, bases and covers for sewing machines and parts thereof	CTSHS
ex.8452.90(b)	-- Other parts of sewing machines	CTH

Comment: In HS2012, furniture, bases and covers for sewing machines and parts thereof (HS2007 subheading 8452.40) are now classified with subheading 8452.90, together with other parts of sewing machines. Therefore, technically and to keep the same outcome of the matrix as in the Consolidated Text, a rule set at split subheading level maybe needed. However, on the one hand, it seems unfeasible a change to "*furniture, bases and covers...and parts thereof*"¹ from products classified in other subheadings of heading 84.52. The change could be possible by means of disassembly, but primary chapter rules/notes for Chapters 84-90 specify that "*the disassembly of goods shall not be considered as the change required by the rule set forth in the matrix*". On the other hand, change to other subheadings of heading 84.52 from "furniture, bases...and parts thereof" seem unlikely to happen. Therefore the Secretariat is of the view that a "CTH" rule could be kept for the whole HS2012 subheading 8452.90.

The WCO supports the comment made by the WTO Secretariat in Document JOB/RO/4 underlining that this comment refers to the first column of the two origin rules for heading 84.52. The comment does not refer to eliminating the alternative in the second column of the rule.

¹ The HS2012 Explanatory Notes read as follows regarding furniture, bases and covers for sewing machines: "B) Furniture, bases and covers specially designed for sewing machines. For example, stands which can be used as tables or cabinets, and parts of such furniture (drawers, extension boards, etc.), bases and covers are classified in this heading, even if presented separately. Separate cases mainly for protection or carrying purposes, if presented separately, are classified in their respective headings".

10. Heading 84.56.**(a) Recommendation by the Secretariat:**

HS2012	Description	Rule	
84.56	Machine-tools for working any material by removal of material, by laser or other light or photon beam, ultrasonic, electro-discharge, electro-chemical, electron beam, ionic-beam or plasma arc processes; water-jet cutting machines.	<i>As specified for split headings</i>	
ex84.56(a)	- Water-jet cutting machines	CTSH, except from subheadings 8479.89, 8479.71, 8479.79, split subheadings ex8486.10(h), ex8486.20(n), ex8486.30(k), ex8486.40(h), or subheadings 8508.19, 8508.60.	CTH, except from heading 84.66; or 35% value-added rule
ex84.56(b)	- Other	CTH, except from split subheadings ex8486.10(c), ex8486.10(d), ex8486.20(d), ex8486.20(e), ex8486.30(c), ex8486.30(d), ex8486.30(e), ex8486.30(f) or ex8486.40(c).	

Comment: Water-jet cutting machines, classified in HS2007 as part of subheading ex8479.89 have been transferred to HS2012 heading ex84.56. The mechanical transposition of the rule requires that in HS2012, the rule be set at split heading level to provide for a different RoO for water-jet cutting machines, and for machine-tools of heading 84.56 (carrying over the exceptions which resulted from the HS2002-HS2007 transposition exercise). The creation of exceptions to the rules may be necessary to prevent widening the scope of the RoO. However, the Secretariat is of the view that a "CTSH" for split heading ex84.56(a) and a "CTH" for split heading ex84.56(b) would be enough for heading 84.56 and would suggest deleting the newly created exceptions.

The WCO Secretariat supports deleting the exceptions in the first column of the rule. This comment does not refer to eliminating the alternative in the second column of the rule. A simplification of heading 84.56 was also recommended in the previous transposition Document OC0168E1a.

11. Heading 84.66.**(a) Recommendation by the Secretariat**

HS2012	Description	Rule	
84.66	Parts and accessories suitable for use solely or principally with the machines of headings 84.56 to 84.65, including work or tool holders, self-opening dieheads, dividing heads and other special attachments for machine-tools; tool holders for any type of tool for working in the hand.	<i>As specified for split headings</i>	
ex84.66(a)	- Parts of water-jet cutting machines	CTHS, except from heading 84.79, split subheading ex8486.90(m) or subheading 8508.70.	CTH
ex84.66(b)	- Other	CTH, except from split subheadings ex8486.90 (e) to (k).	

Comment: Parts of water-jet cutting machines, classified in HS2007 as part of subheading ex8479.90 have been transferred to HS2012 heading ex84.66. The mechanical transposition of the rule requires that in HS2012, the rule be set at split heading level to provide for a RoO for water-jet cutting machines parts, and another for other parts

of heading 84.66 (carrying over the exceptions which resulted from the HS2002-HS2007 transposition exercise).²

However, since "CTH" is the RoO used across chapter 84, for "parts and chapter primary rules stipulate that disassembly is not an origin conferring process, the Secretariat is of the view that a "CTH" would be enough for heading 84.66.

A simplification of heading 84.66 was also recommended in the previous transposition Document OC0168E1a. This comment does not refer to eliminating the alternative in the second column of the rule.

12. Heading 84.79.

(a) Recommendation by the Secretariat:

HS2012	Description	Rule	
84.79	Machines and mechanical appliances having individual functions, not specified or included elsewhere in this Chapter.	<i>As specified for subheadings</i>	CTH; or 35% value-added rule
8479.10	- Machinery for public works, building or the like	CTSH	
8479.20	- Machinery for the extraction or preparation of animal or fixed vegetable fats or oils	CTSH	
8479.30	- Presses for the manufacture of particle board or fibre building board of wood or other ligneous materials and other machinery for treating wood or cork	CTSH	
8479.40	- Rope or cable-making machines	CTSH	
8479.50	- Industrial robots, not elsewhere specified or included	CTSH, except from split subheading ex8486.30(j)	
8479.60	- Evaporative air coolers	CTSH	
	- Passenger boarding bridges:		
8479.71	-- Of a kind used in airports	CTSH, except from split heading ex84.56(a), subheadings 8479.79, 8479.89, split subheadings ex8486.10(h), ex8486.20(n), ex8486.30(k), ex8486.40(h), or subheadings 8508.19, 8508.60	
8479.79	-- Other	CTSH, except from split heading ex84.56(a), subheadings 8479.71 or 8479.89, or split subheadings ex8486.10(h), ex8486.20(n), ex8486.30(k), ex8486.40(h), or subheadings 8508.19, 8508.60	
	- Other machines and mechanical appliances:		
8479.81	-- For treating metal, including electric wire coil-winders	CTSH	
8479.82	-- Mixing, kneading, crushing, grinding, screening, sifting, homogenising, emulsifying or stirring machines	CTSH	

² Note that in JOB/RO/3/Rev.1 the Secretariat stated that, in its view, "CTH" was enough for the HS2007 transposed rules for heading 84.66 and subheading 8479.90.

HS2012	Description	Rule
8479.89	-- Other	CTSH, split heading ex84.56(a), subheadings 8479.71, 8479.79, split subheadings ex8486.10(h), ex8486.20(n), ex8486.30(k), ex8486.40(h), or subheadings 8508.19, 8508.60
8479.90	- Parts	CTH, except from split headings ex84.66(a), split subheading ex8486.90(m), or subheading 8508.70.

Comment: Water-jet cutting machines (ex8479.89) and parts thereof (ex8479.90) were transferred to HS2012 headings ex84.56 and ex84.66, respectively. Therefore, new exceptions were created in the mechanically rectified rule for subheadings 8479.89 and 8479.90. In addition, "CTSH" rule, with some exceptions was set for the newly created subheadings 8479.71 and 8479.79 for passenger boarding bridges (previously classified in subheading ex8479.89).

The WCO Secretariat recommends deleting the exceptions in heading 84.79. A simplification of heading 84.79 was also recommended in the previous transposition Document OC0168E1a. This comment does not refer to eliminating the alternative in the second column of the rule.

13. Heading 85.07.

(a) Recommendation by the Secretariat:

HS2012	Description	Rule
85.07	Electric accumulators, including separators therefor, whether or not rectangular (including square).	<i>As specified for subheadings</i> CTH; or 35% value added rule
8507.10	- Lead-acid, of a kind used for starting piston engines	CTSH
8507.20	- Other lead-acid accumulators	CTSH
8507.30	- Nickel-cadmium	CTSH
8507.40	- Nickel-iron	CTSH
8507.50	- Nickel-metal hydride	CTSH, except from subheadings 8507.60 or 8507.80.
8507.60	- Lithium-ion	CTSH, except from subheadings 8507.50 or 8507.80.
8507.80	- Other accumulators	CTSH, except from subheadings 8507.50 or 8507.60.
8507.90	- Parts	CTH

Comment: Electric accumulators for nickel-metal hydride and lithium-ion were classified in HS2007 together with other accumulators (ex.8507.80). In HS2012, new subheadings have been created for these two products (8507.50 and 8507.60). The CTSH rule was kept in the new subheadings and some exceptions were created to prevent widening the scope of the RoO. The WCO Secretariat is of the view that these exceptions are not necessary as in practice the change between these three headings is not likely to occur and a simple CTSH rule could be kept for 8507.50; 8507.60 and 8507.80. This comment does not refer to eliminating the alternative in the second column of the rule.

14. Heading 96.19.

(a) Recommendation by the Secretariat:

HS2012	Description	Rule
96.19	Sanitary towels (pads) and tampons, napkins and napkin liners for babies and similar articles, of any material.	<i>As specified for split headings</i>
	- Of plastic and other materials of headings Nos. 39.01 to 39.14:	
ex96.19(a)	-- Napkins and napkin liners for babies and similar articles	[CTHS, except from heading 39.26, provided that the goods are assembled in a single country in accordance with the Note of Chapters 61 or 62.]
ex96.19(b)	-- Other	[CTHS, except from heading 39.26, subheading 3006.91 or subheading 8536.70]
ex96.19(c)	- Of paper pulp, paper, cellulose wadding or webs of cellulose fibres.	CTHS, except from heading 48.18.
ex96.19(d)	- Of wadding of textile materials	CTSH
	- Knitted or crocheted:	
ex96.19(e)	-- Knitted or crocheted to shape	The origin shall be the country where the goods of this split heading have been knitted or crocheted to shape.
ex96.19(f)	-- Assembled from parts knitted or crocheted to shape	[The origin shall be the country where the parts of the goods of this split heading have been knitted or crocheted to shape.]
ex96.19(g)	-- Assembled from parts cut to shape	[Change to goods of this split heading provided that the goods are assembled in a single country.]
	-Not knitted or crocheted:	
ex96.19(h)	-- Assembled from parts, other than diapers of heading 62.09	[Change to goods of this split heading provided that the goods are assembled in a single country in accordance with note of Chapter 62.]
ex96.19(i)	-- Diapers	CTHS except from Chapter 62, or except by cutting and/or hemming only.
ex96.19(j)	- Other	[CTHS except from heading 63.07, provided the starting material is pre-bleached or unbleached fabric.]

Comment: In HS2012, new heading 96.19 was created to group sanitary towels (pads) and tampons, napkins and napkin liners for babies and similar articles classified in different chapters of the HS nomenclature (ex39, ex61, ex62, and ex63). For the mechanical transposition of the rule, split headings were created in order to respect the outcome of the original rule of each category of goods.

The CRO could consider one rule for the whole heading.