



**Results of the  
TRANSPOSITION  
of draft harmonized Rules of Origin**

**Committee on Rules of Origin**

**10 April 2014**

# Objectives of this presentation

1. Briefly overview of the mandate given to the Secretariat and explanation of the work conducted
2. Summary of the results
3. Next steps



# Background

- At the meeting of 27 October 2011, the CRO agreed to initiate the **“Transposition Exercise”**
  - i.e. the *technical* rectification of *draft* harmonized non-preferential rules of origin to adapt them to changes in the more recent versions of the HS nomenclature
  - Basis: draft Consolidated Text (G/RO/W/111/Rev.6, originally negotiated in HS1996)
  - Gradually Transpose draft rules to the **HS 2002, 2007 and 2012**

# Background

- To be initiated immediately, to be completed as early as possible (see [G/RO/M/57](#))
- Work was to be conducted by then WTO Secretariat: “mechanical” transposition of the rules
- Collaboration with Members (comments and review)
- Collaboration with the Technical Committee on Rules of Origin (TCRO) and with the Secretariat of the World Customs Organization (WCO)

# How was work conducted?

- Based on the correlation tables published by the WCO
- Additional WCO papers if available (e.g. HS1996-2002: Non paper prepared by the WCO for the 21<sup>st</sup> Session of the TCRO, *“How to deal with the technical rectifications relating to changes in the HS”*)
- Members informed through: Members website, fax and email
- Comments from Members, the TCRO, the WCO Secretariat accepted at any time

# What JOB/RO/5 contains

## What it contains:

- Rules transposed to the **2002** version of the HS nomenclature:  
JOB/RO/2, JOB/RO/2/Rev.1
- Rules transposed to the **2007** version of the HS nomenclature:  
JOB/RO/3, JOB/RO/3/Rev.1
- Rules transposed to the **2012** version of the HS nomenclature:  
JOB/RO/4, JOB/RO/4/Rev.1

# What JOB/RO/5 contains

## What it contains:

- Comments submitted by Members (corrections only, not simplifications)
- Suggestions for simplification prepared by the WCO Secretariat and forwarded by the TCRO:
  - Simplified rules for the transposition of the draft rules into the HS2002 and HS2007: [G/RO/W/143](#); and
  - Simplified rules for the transposition of the draft rules into the HS2012: [G/RO/W/146](#).

# What changes were made to the rules?

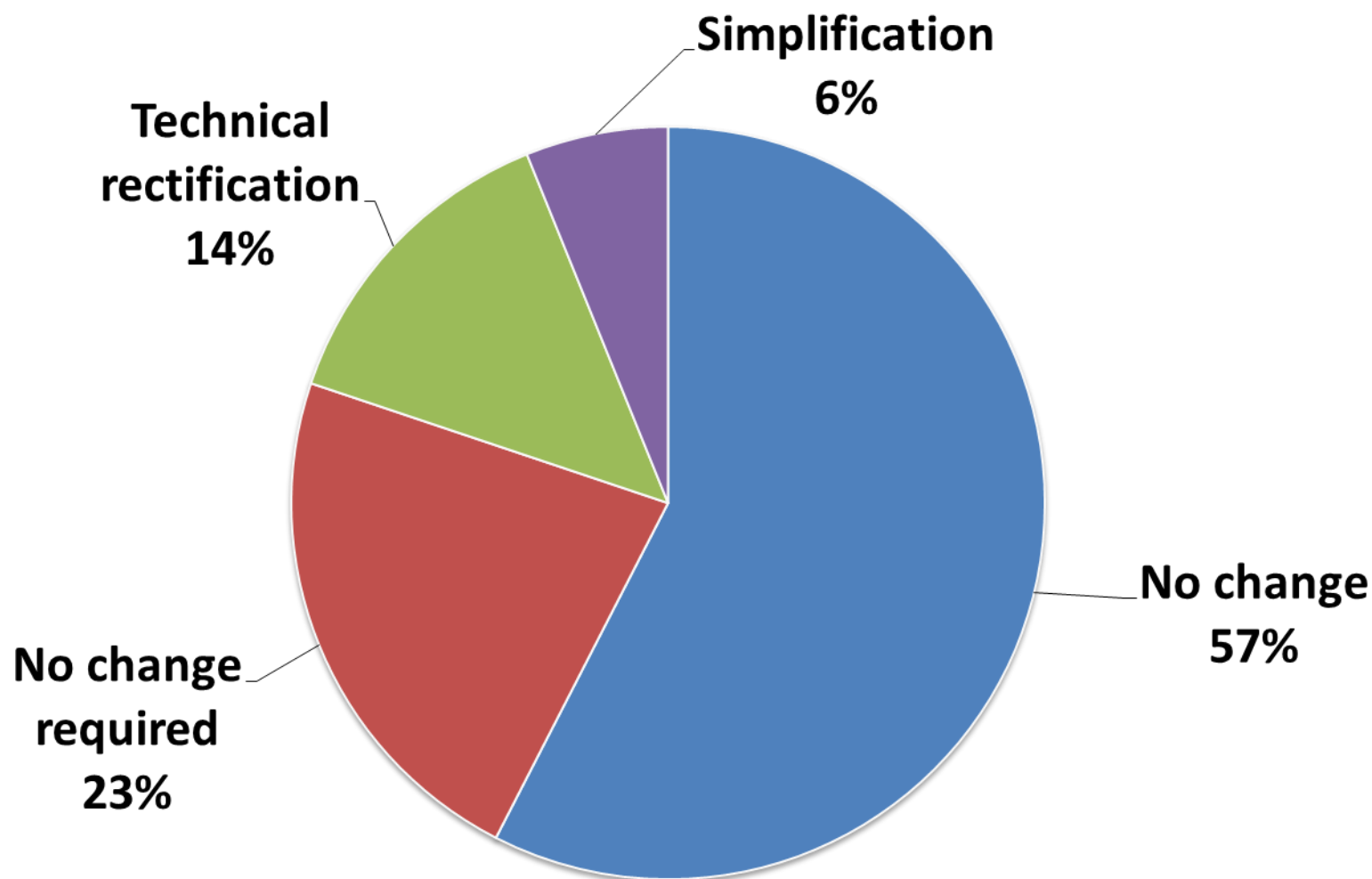


- Most of the time, no change was required:
  - Either the HS codes did not change (marked “no change”)
  - Or the changes did not require any rectification of the rule: e.g. the rule is set at the heading level and the changes occur at the sub-heading level (marked “no change required”)
- Sometimes, more complex adjustments were needed:
  - Simple changes: e.g. creation of a new split to set aside a product moved into a new sub-heading (marked “HS 20XX”)
  - More complex changes: e.g. the addition of exceptions to the ROO (“Except from”) or both new splits and new exceptions (marked “HS 20XX”)
- Some results would be difficult to apply in practice, so a simplification of the “mechanically-transposed” rule needed (marked “simplification”)



# Summary of rectifications (%)

*Sum of 2002, 2007, 2012*



# Reading JOB/RO/5

HS Code Number	Description of goods	Primary rules	Change
(1)	(2)	(3)	(4)
Chapter 3	<b>Fish and crustaceans, molluscs and other aquatic invertebrates</b>		
<b>03.01</b>	<b>Live fish.</b>	The origin shall be the country where the fish of this heading has been captured; or if farmed, the country where the fish has been raised from egg or fry (including fingerling).	HS2007 HS2012 (no change required)

From the Consolidated Text (G/RO/W/111/Rev.6)

Rule rectified in its most recent version

Comment for easier reference (Secretariat)

# Next steps

- Receive comments from Members over the coming months: corrections
- Detailed examination possible (chapter by chapter or otherwise)
- Some rules would ideally require further simplification: e.g. HS28.52 has 26 split headings and several exceptions...
- Issue a Revision before the next CRO
- **Review technical work to take note of the completion of the “transposition exercise”**
- Circulate a new draft Consolidated Text with the validated, transposed rules (G/RO/W/111/**Rev.7**)