WORLD TRADE ORGANIZATION

G/C/W/759/Rev.1

26 October 2018

(18-6724)

Council for Trade in Goods

INTRODUCTION OF HARMONIZED SYSTEM 2017 CHANGES INTO WTO SCHEDULES OF CONCESSIONS

DRAFT WAIVER DECISION

Revision

The General Council,

Having regard to Articles IV:2 and IX:3 of the Marrakesh Agreement establishing the World Trade Organization (the "WTO Agreement");

Recognizing that the adoption of the Harmonized Commodity Description and Coding System (hereinafter referred to as the "Harmonized System") has, in addition to facilitating international trade and the analysis of trade statistics, ensured greater uniformity in countries' customs classification, thus enabling them to monitor and protect the value of tariff concessions;

Noting that, in accordance with Article 16 of the Harmonized System Convention, the Council of the World Customs Organization adopted a Recommendation on 27 June 2014 concerning amendments to the Harmonized System which will come into force on 1 January 2017, and that a second Recommendation was adopted on 11 June 2015, which includes corrections and complementary amendments to Chapter 44 (both amendments are collectively hereinafter referred to as "HS2017 changes");

Considering that the General Council by its decision of 7 December 2016[1], and 1 December 2017[2], acting pursuant to the provisions of Articles IV:2 and IX:3 of the WTO Agreement, suspended the application of the provisions of Article II of GATT 1994 for certain Members, from the date of implementation of HS2017 changes for those Members until 31 December 2018, to the extent necessary to implement domestically the HS2017 changes pending incorporation of such changes into their Schedules of Concessions, subject to certain conditions;

Noting the procedure adopted by the General Council to introduce HS2017 changes, to Schedules of Concessions[3], which in certain cases may require negotiations and/or consultations under Article XXVIII of GATT 1994;

Considering that the Members listed in the Annex[4] to this decision concerned would need more time to proceed with consultations or possible Article XXVIII negotiations;

Considering that other Members not listed in the Annex to this Decision may already have domestically implemented HS2017 changes, or may intend to do so, pending incorporation of such changes into their Schedules of Concessions, and may also desire to be covered by this waiver;

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[1] WT/L/999, WT/L/999/Add.1, WT/L/999/Add.2, WT/L/999/Add.3, WT/L/999/Add.4, WT/L/999/Add.5, WT/L/999/Add.6, WT/L/999/Add.7 and WT/L/999/Add.8.

[2] WT/L/1029, WT/L/1029/Add.1, WT/L/1029/Add.2 and WT/L/1029/Add.3.

[3] WT/L/995.

[4] Column one of the Annex lists the Members; column two indicates the Member's date of implementation of HS2017 changes; and column three indicates whether the Member has also implemented the corrections and complementary amendments to HS Chapter 44.

Decides, in view of the exceptional circumstances, to suspend the application of the provisions of Article II of GATT 1994:

a) for those Members listed in the Annex, until 31 December 2019; and
b) for any other Member not listed in the Annex that notifies the Committee on Market Access of its wish to be included in the waiver decision from the date of implementation of the HS2017 changes for that Member until 31 December 2019;

to the extent necessary for the purpose of enabling such Members to domestically implement the recommended amendments to the Harmonized System nomenclature pending incorporation of such changes into their Schedules of Concessions, subject to the following conditions:

i. Members covered by paragraphs (a) and (b) of this Decision shall, where necessary, promptly enter into negotiations and/or consultations with interested Members pursuant to paragraphs 1-3 of Article XXVIII of GATT 1994;

ii. The negotiations and/or consultations mentioned above shall, to the extent possible, be completed by 31 December 2019; and

iii. In accordance with the provisions of Article XXVIII:3 of GATT 1994, applied *mutatis mutandis* to the present waiver, pending the entry into force of the results of the negotiations and/or consultations mentioned above, the other Members will be free to suspend concessions initially negotiated with the Member concerned to the extent that they consider that adequate compensation is not offered by the Member concerned.

ANNEX

MEMBERS WHICH HAVE REQUESTED TO BE COVERED BY THE WAIVER
UNDER THE ABOVE DECISION

Member	Date of Implementation of the WCO Council Decision:	
	Adopted on 27 June 2014	**Adopted on 11 June 2015**
1. Argentina	1 January 2017	1 January 2017
2. Brazil	1 January 2017	1 January 2017
3. Canada	1 January 2017	1 January 2017
4. Colombia	1 January 2017	1 January 2017
5. Costa Rica	1 January 2017	1 January 2017
6. China	1 January 2017	1 January 2017
7. Dominican Republic	1 January 2017	1 January 2017
8. El Salvador	1 January 2017	1 January 2017
9. European Union	1 January 2017	1 January 2017
10. Guatemala	1 January 2017	1 January 2017
11. Honduras	1 January 2017	1 January 2017
12. Hong Kong, China	1 January 2017	1 January 2017
13. India	1 January 2017	1 January 2017
14. Israel	1 January 2017	1 January 2017
15. Kazakhstan	1 January 2017	1 January 2017
16. Korea, Republic of	1 January 2017	1 January 2017
17. Macao, China	1 January 2017	1 January 2017
18. Montenegro	1 January 2017	1 January 2017
19. New Zealand	1 January 2017	1 January 2017
20. Norway	1 January 2017	1 January 2017
21. Pakistan	1 July 2017	1 July 2017
22. Paraguay	1 January 2017	1 January 2017
23. The Philippines	1 January 2017	1 January 2017
24. Russian Federation	1 January 2017	1 January 2017
25. Switzerland	1 January 2017	1 January 2017
26. Thailand	1 January 2017	1 January 2017
27. The Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu	31 December 2020	31 December 2020
28. United States	1 January 2017	31 December 2017
29. Uruguay	1 January 2017	1 January 2017