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European Union

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PROPOSAL

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	21 September 2020
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

No. Cion doc.:	COM(2020) 585 final
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Subject:	ANNEX to the Proposal for a Council Decision on the position to be taken on behalf of the European Union in the 66th session of the Harmonized System Committee of the World Customs Organization in relation to the envisaged adoption of Classification Opinions, classification decisions, amendments to the Harmonized System Explanatory Notes or other advice on the interpretation of the Harmonized System and recommendations to secure uniformity in the interpretation of the Harmonized System under the Harmonized System Convention
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Delegations will find attached document COM(2020) 585 final.

Encl.: COM(2020) 585 final



Brussels, 21.9.2020
COM(2020) 585 final

ANNEX

ANNEX

to the

Proposal for a Council Decision

on the position to be taken on behalf of the European Union in the 66th session of the Harmonized System Committee of the World Customs Organization in relation to the envisaged adoption of Classification Opinions, classification decisions, amendments to the Harmonized System Explanatory Notes or other advice on the interpretation of the Harmonized System and recommendations to secure uniformity in the interpretation of the Harmonized System under the Harmonized System Convention

ANNEX

This Annex complements the Annex to Council Decision...

II.2. Development of correlation tables between the 2017 and 2022 versions of the Harmonized System (Doc. NC2704, NC2749 and NC2753)

Concerning the correlation table for subheadings 4407.13 and 4407.14 (mixtures of S-P-F (spruce, pine and fir) and Hem-fir (Western hemlock and fir)) the Union shall support the correlations proposed by the WCO Secretariat in paragraph 20 of document NC2753.

Concerning the correlation table for subheading 4418.83 (I beams) the Union shall support the correlations proposed by Japan in paragraph 14 of document NC2753.

Concerning the correlation table for subheading 7019.71 (veils/thin sheets of glass fibres) the Union notes that the only transfer from HS2017 would be from subheading 7019.32.

Concerning the correlation table for subheadings 8462.62 and 8462.63 (forging machines), the Union shall support keeping all the subheadings proposed for transfer mentioned under HS2017, including the ones in square brackets.

Concerning the correlation table for subheading 8519.81 (telephone answering machines) the Union shall support the proposal of the WCO Secretariat in paragraph 26 of document NC2704.

Concerning the correlation table for subheading 8539.51 (LED) the Union shall support the WCO Secretariat's conclusion in paragraph 24 of the same document.

Concerning the correlation table for new subheading 8541.51 (semiconductor-based transducers) the Union notes that there is no evidence of parts classified separately in the HS2017 version. Therefore no additional transfers are needed.

Concerning the correlation table for heading 88.06 (unmanned aircraft) the Union shall support option (i) mentioned in paragraph 25 of document NC2704.

Finally the Union shall support the correction of some editorial errors in the draft Correlation Tables I and II, as set out in the Annex to document NC2753.

III.4. Classification in HS 2022 of certain collections and collectors' pieces of numismatic interest (Request by the Secretariat) (Doc. NC2711, NC2754)

The Union would classify the three products in the new subheading 9705.31 in HS2022. The Union notes that both Canada and the WCO Secretariat support Union's proposal to delete the mention of the "coins generally known in the trade as 'ancients' or 'ancient coins'" from the second paragraph of Item (4) of new Part (A) of HSENs to heading 97.05.

III.5. Classification in HS 2022 of cartridges for 3D printers (Request by the Secretariat) (Doc. NC2712, NC2755)

The Union shall support the proposal for amending the HSENs which specifies that 3D printer cartridges with electronic components or mechanical mechanisms should be classified as parts of 3D printers.

The Union would classify products presented in both documents NC2712 and NC2755 in heading 84.85 in HS2022 as parts of 3D printers considering the presence of electronic components for connection to a 3D printer.

III.7 REPORT OF THE 57TH SESSION OF THE HS REVIEW SUB-COMMITTEE (Doc. NR1434)

III.8. Matters for decision. (Doc. NC2709)

- (a) Annexes C/4 and D/8 – Amendments to the Explanatory Notes (HS-2022) (Section VI)
- (b) Annexes C/5, D/9 and D/22 – Amendments to the Explanatory Notes (HS-2022) (Section VII)
- (c) Annexes C/8 and D/12 – Amendments to the Explanatory Notes consequential to the article 16 recommendation of 28 June 2019 (Section XIII)
- (d) Annexes C/13 and D/17 – Amendments to the Explanatory Notes consequential to the Article 16 Recommendation of 28 June 2019. (Section XX)
- (e) Annexes C/14 and D/18 – Possible amendments to the Explanatory Notes in respect of certain amusement park equipment (Proposal by the US)

The Union shall agree to all proposed amendments in the documents.

- (f) Annexes C/1 and D/5 – Possible amendments to the Explanatory Notes to heading 15.09 in respect of other virgin olive oils, and heading 15.15 in respect of examples of microbial fats and oils

Concerning the HSEs to heading 15.09, the Union shall support the EU proposal (option 2) and the new Canadian proposal (option 3). In item (D)(2), the Union shall support the use of “or” (option 2) instead of “and/or”.

Concerning the HSEs to heading 15.15, the Union shall support the use of the expression “single cell organism” (option 1), and the use of “or” (option 2) instead of “and/or”. In examples (a) and (b), the Union shall support the use of the expression “obtained from” (option 2).

- (g) Annexes C/3 and D/7 – Possible amendments to the Explanatory Notes in respect of “placebos” and “double-blinded clinical trial kits” in heading 30.06 (Request by Australia)

Concerning the sentence “The placebos of this heading also include [control vaccines] [controlled vaccines] [vaccines which are used as control substances and] that have been licensed for use in recognized clinical trials.”, the Union shall not support adding this sentence to the text of item (12) of the HSEs to heading 30.06, as it is not clear what kind of substances are described by it. If the other Contracting Parties decide to add it, the Union shall support “vaccines which are used as control substances” (option 3), or if flexibility is needed, “control vaccines” (option 1).

Concerning the sentence “[Active ingredients to be trialled can include herbal medicinal products [for therapeutic or prophylactic uses].]”, the Union shall remain flexible for adding it to the text, but shall not support an open list of examples as suggested by the US delegation.

- (h) Annexes C/6 and D/10 – Amendments to the Explanatory Notes Consequential to the Article 16 Recommendation of 28 June 2019 (Section IX)

The Union shall support the proposal to add Subheading Explanatory Notes to subheadings 4412.41, 4412.42 and 4412.49. The Union shall request that the proposed text needs to be further analysed and improved in order to bring it in line

with the current classification practices in the Union (for example, the orientation of the veneers).

- (i) Annexes C/7 and D/11 – Amendments to the Explanatory Notes consequential to the Article 16 Recommendation of 28 June 2019 (Sections XI and XII)

The Union shall support adding “paraseismic wall covering” and “geotextiles” to the list of examples of electronic textiles. In the text on “geotextiles”, the Union shall support the text “a sensor made of fibres or at least being fully integrated in the fibres” (option 2) as previously suggested by the Union.

The Union shall support provisionally adopting the texts approved by the RSC.

- (j) Annexes C/12 and D/16 – Amendments to the Explanatory Notes Consequential to the Article 16 Recommendation of 28 June 2019 (Section XVII)

The Union shall support adding the reference to permanently integrated cameras in paragraph 3 of the HSEs to heading 88.06, provided that the Classification Opinion classifying a drone with an integrated camera in heading 85.25 is reviewed and aligned with HS2022 and HSE.

In relation to paragraph 4 of the HSEs to heading 88.06, the Union shall support the proposal by China with additional technical criteria introduced by the Union (second option).

- (k) Annexes C/15 and D/19 – Possible amendment to the Explanatory Notes to Chapter 97 in respect of certain cultural articles (Proposal by the United States)

The Union does not support the list of items mentioned as examples, as these are very specific and limited to explain the scope of the articles to be classified under subheading 9705.10.

The Union further notes that the definitions and examples provided would not give clarity on how to classify for example “traditional national costumes” or “old cars”.

- (l) Annexes C/16 and D/20 – Amendment to the GIR's Explanatory Notes (HS 2022)

The Union shall support the original proposal by the WCO Secretariat (option 1, using the term “merely”, but remaining flexible for the expression “not further worked than”) and shall request to align the texts in English and French.

- III.9. Possible amendment of the Explanatory Note to heading 71.04 in relation to synthetic diamonds (Proposal by the Kimberley Process) (Doc. NC2757)

The Union shall agree to the proposed modifications to the new third paragraph to heading 71.04 and to the creation of new item (3) of the subheading Explanatory Notes to subheading 7104.91.

- III.10. Classification of a micro-electro-mechanical systems (MEMS) element in HS 2022 (Proposal by the Secretariat)

The Union would classify the product in heading 85.41.