



21 October 2020

(20-7290)

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**Council for Trade in Goods**

**INTRODUCTION OF HARMONIZED SYSTEM 2007 CHANGES INTO  
WTO SCHEDULES OF TARIFF CONCESSIONS**

**DRAFT WAIVER DECISION**

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 26 June 2004 concerning amendments to the Harmonized System which will come into force on 1 January 2007 (hereinafter referred to as "HS2007 changes");

*Considering* that the General Council by its decisions of 15 December 2006<sup>1</sup>, 18 December 2007<sup>2</sup>, 18 December 2008<sup>3</sup>, 17 December 2009<sup>4</sup>, 14 December 2010<sup>5</sup> and 30 November 2011<sup>6</sup>, 11 December 2012<sup>7</sup>, 26 November 2013<sup>8</sup>, 11 December 2014<sup>9</sup>, 30 November 2015<sup>10</sup>, 12 December 2016<sup>11</sup>, 1 December 2017<sup>12</sup>, 13 December 2018<sup>13</sup>, and 10 December 2019<sup>14</sup>, 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 HS2007 changes for those Members until 31 December 2020, to the extent necessary to implement domestically the HS2007 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 HS2007 changes, to Schedules of Concessions<sup>15</sup>, which in certain cases may require negotiations and/or consultations under Article XXVIII of GATT 1994;

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<sup>1</sup> WT/L/675, WT/L/675/Add.1, WT/L/675 /Add.2, WT/L/675/Add.3 and WT/L/675/Add.4.

<sup>2</sup> WT/L/713.

<sup>3</sup> WT/L/745.

<sup>4</sup> WT/L/787, WT/L/787/Add.1 and WT/L/787/Add.2.

<sup>5</sup> WT/L/809.

<sup>6</sup> WT/L/833.

<sup>7</sup> WT/L/874.

<sup>8</sup> WT/L/901.

<sup>9</sup> WT/L/946.

<sup>10</sup> WT/L/968.

<sup>11</sup> WT/L/997.

<sup>12</sup> WT/L/1027.

<sup>13</sup> WT/L/1049.

<sup>14</sup> WT/L/1083

<sup>15</sup> WT/L/673.

*Considering* that the Members listed in the Annex<sup>16</sup> to this decision would need more time to proceed with consultations or possible Article XXVIII negotiations and have requested an extension of their respective waivers;

*Considering* that other Members not listed in the Annex to this Decision may already have implemented domestically the HS2007 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;

*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 for a further year until 31 December 2021; 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, for the period from the date of implementation of the HS2007 changes for that Member until 31 December 2021;

to the extent necessary for the purpose of enabling such Members to implement domestically 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 2021; 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.

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<sup>16</sup> Column one of the Annex lists the Members and column two indicates the Member's date of implementation of HS2007 changes.

**ANNEX**

**MEMBERS WHICH HAVE REQUESTED TO BE COVERED BY THE WAIVER GRANTED  
UNDER THIS DECISION**

<b>Members</b>	<b>Date of Implementation of HS2007 Changes</b>
1. Argentina	1 January 2007
2. Brazil	1 January 2007
3. China	1 January 2007
4. Dominican Republic	1 January 2007
5. European Union	1 January 2007
6. Malaysia	1 January 2007
7. Philippines	11 December 2007
8. Thailand	1 January 2007

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