

WORLD TRADE ORGANIZATION

G/RO/27
26 August 1998

(98-3305)

Committee on Rules of Origin

TWELFTH REPORT OF THE TECHNICAL COMMITTEE ON RULES OF ORIGIN TO THE COMMITTEE ON RULES OF ORIGIN

Note by the Secretariat

1. In conformity with paragraph 2(c) of Article 9 of the Agreement on Rules of Origin, the Technical Committee on Rules of Origin has submitted to the Committee on Rules of Origin its Twelfth Report. The Report covers the results of the Technical Committee's work under the Harmonization Work Programme at its Thirteenth Session held in Brussels from 14-24 April 1998.
2. The attached report (WCO document 42.263) is circulated to Members, together with the letter of transmission of the Chairman of the Technical Committee on Rules of Origin.

Brussels, 20 July 1998

Dear Mr. Wells,

I have pleasure in transmitting the Twelfth Report of the Technical Committee on Rules of Origin to the Committee on Rules of Origin.

This Report is submitted in accordance with the provisions of Article 9.2(c) of the Agreement and covers the results of the Technical Committee's work under the Harmonization Work Programme through its Thirteenth Session held in Brussels. The draft Report of the Twelfth Session of the Technical Committee had been approved. The Report of the Thirteenth Session is to be approved at the Fourteenth Session to be held from 19-30 October 1998.

During this quarterly reporting period the Technical Committee held its Twelfth and Thirteenth Sessions. The work has been conducted under a modified working method by which the Technical Committee has examined working documents presented in the form of draft referral documents for unresolved issues. For the product-specific rules the Technical Committee has agreed to transmit Basket 1 decisions and unresolved issues to the Committee for all remaining Chapters except 84 through 97. The Technical Committee also has begun its final consideration of the Chapter Notes for all Chapters and has held further discussions on residual rules and on the overall architectural design of the harmonized rules of origin.

Please accept, Mr. Wells, the assurance of my highest consideration.

Yours sincerely,

R. JANECKO,
Chairman

WCO doc. 42.263

TWELFTH REPORT OF THE TECHNICAL COMMITTEE ON RULES OF ORIGIN
TO THE COMMITTEE ON RULES OF ORIGIN

1. The Technical Committee on Rules of Origin held two plenary sessions during the three-month period of this report. The Twelfth Session was held in Brussels from Tuesday 14 April to Friday 24 April and from Monday 4 May to Friday 15 May 1998 and the Thirteenth Session from Tuesday 2 June to Friday 12 June 1998.

Nature of the work

2. The Technical Committee made substantial further progress in the Harmonization Work Programme on Rules of Origin for particular products or product sectors.

3. At its Twelfth Session, the Technical Committee re-examined outstanding and deferred items relating to goods of Chapters 13, 15, 25-27, 28-38, 39 and 40, 64-67, 71, 72 and 73, 74-81, 82, 83, 84, 85 and embroidered goods, other than embroidery without visible ground or embroidery in strips or motifs, of Section XI of the HS (Chapters 50-63).

4. At its Thirteenth Session, the Technical Committee re-examined outstanding and deferred items relating to goods of Chapters 68-70, 86-90 and 93-97. The Technical Committee also made important progress in its consideration of the proposals relating to all Chapters for Section Notes, Chapter Notes or residual rules some of which had been adopted (Basket 1) and others of which had been retained for further technical examination (Basket 2).

Results of the work

5. The results of the Technical Committee's consideration of the origin criteria proposed are designated as follows:

- Basket 1: origin criteria (product-specific rules) agreed by the Technical Committee which are transmitted to the Committee on Rules of Origin for endorsement.
- The results of that work are set out in the Referral Documents and are reported in the related Annexes to the Report on the Technical Committee's Twelfth (Doc. 42.261¹) and Thirteenth Sessions (Doc. 42.556¹).
- Basket 2: origin criteria proposed for particular goods, or proposed Chapter Notes and Definitions, which raised technical aspects to be considered further by the Technical Committee.
- Unresolved Issues Submitted to the CRO for Decision: origin criteria for certain goods and proposed Chapter Notes and Definitions for which, after exhaustive technical consideration, the differing views could not be resolved by the Technical Committee.

6. The unresolved issues are submitted to the Committee on Rules of Origin for decision by means of Referral Documents for the following groups of HS Chapters:

¹ Available for consultation in the Secretariat (Market Access Division).

Chapter	Document ²
13	42.536
15	42.574
25-27	42.535
28-38	42.626
39-40	42.627
44-49	42.633
64-67	42.533
68-70	42.583
71	42.383
72 and 73	42.621
74-81	42.622
82	42.576
83	42.511
Embroidery	42.357

7. These documents are in two parts. In the first part the unresolved issues are stated together with the differing views presented during the Technical Committee discussions. The issues are cross-referred to the relevant HS headings in the second part of the document where the different options for origin criteria are set out. In both parts the countries that have indicated their support for a particular option are identified.

8. It is to be noted that with respect to certain goods the Technical Committee has referred unresolved issues to the Committee while retaining for further consideration issues, including Chapter Notes and definitions, affecting the same goods.

A. Basket 1 Decisions

9. With regard to the Chapters examined at the Twelfth and Thirteenth Sessions, the complete list of all the Basket 1 decisions reached for the Chapters examined, including decisions made at previous sessions, is now as follows:

Chapter 25: headings ex-25.01(a), ex-25.01(b), ex-25.01(c), 25.02, ex-25.03(a), ex-25.03(b), 25.04, 25.05, 25.06, ex-25.07(a), ex-25.07(b), ex-25.08(a), ex-25.08(b), 25.09, 25.10, 25.11.10, ex-25.11.20(a), ex-25.11.20(b), ex-25.12(a), ex-25.12(b), 25.13, 25.14, 25.15, 25.16, 25.17.10, 25.17.20, 25.17.30, 25.17.41, 25.17.49, 25.18.10, 25.18.20, ex-25.18.30(a), ex-25.18.30(b), 25.19.10, ex-25.19.90(a), ex-25.19.90(b), 25.20.10, 25.20.20, 25.21, 25.22.10, 25.22.20, 25.22.30, 25.23.10, 25.24, 25.25.10, 25.25.20, 25.25.30, 25.26.10, 25.27, ex-25.28(a), ex-25.28(b), 25.29, ex-25.30(a), ex-25.30(c)

Chapter 26: headings ex-26.01(c), ex-26.02(c), ex-26.03(c), ex-26.04(c), ex-26.05(c), ex-26.06(c), ex-26.07(c), ex-26.08(c), ex-26.09(c), ex-26.10(c), ex-26.11(c), ex-26.12(c), ex-26.13(c), ex-26.14(c), ex-26.15(c), ex-26.16(c), ex-26.17(c), 26.18, 26.19, 26.20, 26.21

Chapter 27: Chapter Note on definition of chemical reaction for Chapter 27; headings 2701.11, 2701.12, 2701.19, 27.02, 27.03, 27.04, 27.05, 27.06, 2708.10, ex-27.09(a), ex-27.09(b), 2711.11 (subject to CAN's confirmation), 2711.21, 27.14, 27.16

² To be circulated in document G/RO/27/Add.1.

- Chapter 28: headings 28.01, 28.02, 28.03, 28.04, 28.05, 28.06, 28.07, 27.08, 2809.10, 2809.20, 28.10, 28.11, 28.12, 28.13, 2814.10, 2814.20, 2815.11, 2815.12, 2815.20, 2815.30, 2816.10, 2816.20, 2816.30, 28.17, 28.18, 28.19, 28.20, 28.21, 28.22, 28.23, 28.24, 28.25, 28.26, 28.27, 28.28, 28.29, 28.30, 28.31, 28.32, 28.33, 28.34, 28.35, 28.36, 28.37, 28.38, 28.39, 28.40, 28.41, 28.42, 28.43, 28.46, 28.47, 28.48, 28.49, 28.50, 28.51
- Chapter 29: headings 29.01, 29.02, 29.03, 29.04, 29.05, 29.06, 29.07, 29.08, 29.09, 29.10, 29.11, 29.12, 29.13, 29.14, 29.15, 29.16, 29.17, 29.18, 29.19, 29.20, 29.21, 29.22, 29.23, 29.24, 29.25, 29.26, 29.27, 29.28, 29.29, 29.30, 29.31, 29.32, 29.33, 29.34, 29.35, 29.36, 29.37, 29.38, 29.39, 29.40, 29.41, 29.42
- Chapter 30: headings 3001.10, 3001.20, 3001.90, 30.02, ex30.05(a), ex30.05(b), 3006.10, 3006.20, 3006.40, 3006.60
- Chapter 31: headings 31.01, 31.02, 31.03, 31.04, 3105.10, 3105.20, 3105.30, 3105.40, 3105.51, 3105.59, 3105.60, 3105.90
- Chapter 32: headings ex32.01(a), ex32.01(b), 3202.10, 3202.90, 32.03, 3204.11, 3204.12, 3204.13, 3204.14, 3204.15, 3204.16, 3204.17, 3204.20, 3204.90, 32.05, 3206.11, 3206.19, 3206.20, 3206.30, 3206.41, 3206.42, 3206.43, 3206.49, 3206.50, 3207.10, 3207.20, 3207.30, 3207.40, ex3208(a), ex3208(b), 32.09, 32.10, 32.11, 3212.10, 3212.90, 32.13, 32.14, 3215.11, 3215.19, 3215.90
- Chapter 33: headings 3301.11, 3301.12, 3301.13, 3301.14, 3301.19, 3301.21, 3301.22, 3301.23, 3301.24, 3301.25, 3301.26, 3301.29, 3301.30, 3301.90
- Chapter 34: headings ex34.01(c), 3402.11, 3402.12, 3402.13, 3402.19, 34.03, 34.04, 34.06, 34.07
- Chapter 35: headings ex 3501.90(a), ex 3501.90(b), 3502.11, 35.03; 3505.20, 3506.10, 3506.91, 3506.99
- Chapter 36: headings 36.01, 36.02, 36.03, 36.04, 36.05, 36.06
- Chapter 37: headings 3701.10, 3701.30, 3701.91, 3701.99, 3702.10, 3702.31, 3702.32, 3702.39, 3702.41, 3702.42, 3702.43, 3702.44, 3702.51, 3702.52, 3702.53, 3702.54, 3702.55, 3702.56, 3702.91, 3702.92, 3702.93, 3702.94, 3702.95, 37.03, 37.04, 37.05, 37.06
- Chapter 38: headings 3801.10, 3801.20, 3801.30, 3801.90, 38.02, ex38.03(b), 38.04, 3805.10, 3805.20, 3805.90, 3806.10, 3806.20, 3806.30, 3806.90, 38.07, 38.10, 38.12, 38.13, 38.14, 38.15, 38.16, 38.17, 38.19, 38.20, 38.21, 38.22, 3823.11, 3823.12, 3823.13, 3823.19, 3823.70, 3824.10, 3824.20, 3824.30, 3824.40, 3824.50, 3824.60, 3824.71, 3824.79, 3824.90
- Chapter 39: headings 39.15, 39.18, 39.22, 39.23, 39.24
- Chapter 40: headings 4001.10, 4001.30, 4002.11, 4002.41, 4002.51, 4002.91, 40.03, 40.04, 40.07, 40.09, 40.10, 40.11, 4012.10, 40.13, 40.14, 40.15, 40.16, ex40.17(a), ex40.17(b), ex40.17(c)
- Chapter 44: headings 4401.10, 4401.21, 4401.22, ex4401.30(a), ex4401.30(b), ex44.02(a), ex44.02(b), 44.04, 44.05, 44.06, 44.17, 44.19, 44.20, 44.21

Chapter 45	headings 45.01, 45.02(a), 45.02(b), ex4504.10(a), ex4504.10(b), ex4504.90(a), ex4504.90(b)
Chapter 46	headings 4601.10, 4601.20, 4601.91, 4601.99, 46.02
Chapter 47	headings 47.07
Chapter 48	48.01, 48.02, 48.03, 48.04, 48.05, 48.06, 48.07, 48.09, 4811.10, 4811.21, 4811.29, 4811.31, ex4811.39(a), ex4811.39(b), 4811.40, 4811.90, 48.12, 48.13, 48.14, 48.15, 48.16, 48.17, 48.18, 48.19, 48.20, 48.21, 48.22, 48.23
Chapter 49:	headings 49.02, 49.03, 49.04, 49.05, 49.06, 49.07, 49.08, 49.09, 49.10, 49.11
Chapters 64 to 67:	Chapter Note on disassembly for Chapter 64 and Chapter 66; headings 6406.20, 6406.91, 65.01, 65.02, 65.06, 65.07, 66.03, 67.04
Chapter 68:	headings 68.01, ex-6802.10(a), ex-6802.10(b), 6802.21, 6802.22, 6802.23, 6802.29, 6802.91, 6802.92, 6802.93, 6802.99, ex-68.03(a), ex-68.03(b), 68.04, 68.05, 68.06, 68.07, 68.08, 68.09, 6810.11, 6810.19, 6810.91, 6810.99, 68.11, 6812.10, 6812.20, 6812.40, 6812.50, 6812.60, 6812.70, 6812.90, ex-68.13(b), ex-68.14(a), ex-68.14(b), ex-6815.10(a), ex-6815.10(b), 6815.20, 6815.91, 6815.99
Chapter 69:	69.01, 69.02, 69.03, 69.04, 69.05, 69.06, 69.07, 69.09, 69.10, 69.13, 69.14
Chapter 70:	ex-70.01(a), ex-70.01(b), 70.02, 70.03, 70.04, ex-70.06(a), ex-70.06(b), 70.07, 70.08, 70.09, ex-70.10(b), 70.11, 70.12, ex-70.13(c), 70.14, 70.15, 70.16, 70.17, 70.18, 7019.11, 7019.12, 7019.19, ex-7019.19(b), 7019.31, 7019.32, 7019.39, 7019.40, 70.20
Chapter 71:	headings 7171.01, 7102.10, 7102.21, 7102.31, 7103.10, 7104.10, 7104.20, 71.05, ex7106.10(a), ex7106.10(b), ex7106.91(a), ex7106.91(b), ex7106.91(c), ex7106.92(b), ex71.07(a), ex71.07(b), ex7108.11(a), ex7108.11(b), ex7108.12(a), ex7108.12(b), ex7108.12(c), ex7108.13(b), ex7108.20(a), ex7108.20(b), ex7108.20(c), ex71.09(a), ex71.09(b), ex71.10(a), ex71.10(b), ex71.10(c), ex71.10(d), ex71.10(e), ex71.10(f), ex71.11(a), ex71.11(b), 71.12, ex71.13(b), ex71.14(b), ex71.15(b), 71.17, 71.18.
Chapter 72	Chapter Note : change of classification resulting solely from cutting*; headings 72.01, 72.02, 72.03, ex72.04(a), ex72.04(b), 7205.10, 7205.21, ex7205.21(a), ex7205.21(b), ex7205.29(a), ex7205.29(b), 72.06, 72.07, 72.08, 72.09, ex72.10(a), ex72.11(a), ex72.12(a), 72.13, 72.14, 72.15, , ex72.16(c), 72.18, ex72.19(c), ex72.20(a), ex72.20(c), 72.21, ex72.22(d), 72.24, ex72.25(b), ex72.25(c), ex72.26(a), ex72.26(b), ex72.26(c), 72.27, ex72.28(a), ex72.28(d)
Chapter 73	Chapter Notes : assembly operations; change of classification resulting from disassembly; from packaging or repackaging; or from application of General Rule of Interpretation 2(a)* headings 73.01, 73.02, ex73.03(c), ex73.05(b), ex73.06(b), 73.07, 73.09, 73.10, 73.11, ex73.12(b), 73.13, 73.14, 7315.19, 7315.90, 73.16, 73.17, 73.18, 73.19, 73.20, 7321.11, 7321.12, 7321.13, 7321.81, 7321.82, 7321.83, 7321.90, 73.22, 73.23, ex73.24(b), 73.25, 73.26.

- Chapter 74 Chapter Notes : assembly operations; coiling of bars or rods to wire or uncoiling of wire to bars or rods; change of classification resulting from disassembly; from packaging or repackaging; or from application of General Rule of Interpretation 2(a)* headings 74.01, 74.02, 7403.11, 7403.12, 7403.13, 7403.19, 7403.21, 7403.22, 7403.23, 7403.29, 74.04, 74.05, ex7406.20(b), ex74.09(b), 74.11, 74.12, 74.13, 74.14, 74.15, 74.16, 74.17, 74.18.
- Chapter 75 Chapter Notes : assembly operations; coiling of bars or rods to wire or uncoiling of wire to bars or rods; change of classification resulting from disassembly; from packaging or repackaging; or from application of General Rule of Interpretation 2(a)* headings 7502.10, 7502.20, 75.03, ex75.04(b), ex 75.06(b), ex75.08(b).
- Chapter 76 Chapter Notes : assembly operations; coiling of bars or rods to wire or uncoiling of wire to bars or rods; change of classification resulting from disassembly; from packaging or repackaging; or from application of General Rule of Interpretation 2(a)* headings ex7601.10(b), 7601.20, 76.02, ex7603.20(b), 76.06, 76.09, 76.11, 76.12, 76.13, 76.14, 76.15.
- Chapter 78 Chapter Notes : assembly operations; coiling of bars or rods to wire or uncoiling of wire to bars or rods; change of classification resulting from disassembly; from packaging or repackaging; or from application of General Rule of Interpretation 2(a)* headings 7801.91, ex7801.99(a), ex7801.99(b), 78.02, ex78.03(a), 78.06.
- Chapter 79 Chapter Notes : assembly operations; coiling of bars or rods to wire or uncoiling of wire to bars or rods; change of classification resulting from disassembly; from packaging or repackaging; or from application of General Rule of Interpretation 2(a)* headings ex79.01(a), ex79.01(b), 79.02, 7903.10, ex7903.90(b), 79.05, ex79.07(a), ex79.07(b).
- Chapter 80 Chapter Notes : assembly operations; coiling of bars or rods to wire or uncoiling of wire to bars or rods; change of classification resulting from disassembly; from packaging or repackaging; or from application of General Rule of Interpretation 2(a)* headings 8001.20, 80.02, 80.04, ex 80.07(a).
- Chapter 81 Chapter Notes : assembly operations; coiling of bars or rods to wire or uncoiling of wire to bars or rods; change of classification resulting from disassembly; from packaging or repackaging; or from application of General Rule of Interpretation 2(a)* headings ex81.01(a), ex81.01(c), ex81.01(d), ex81.01(f), ex81.01(k), ex81.01(l), ex81.02(a), ex81.02(c), ex81.02(d), ex81.02(f), ex81.02(k), ex81.02(l), ex81.03(a), ex81.03(c), ex81.03(d), ex81.03(f), ex81.03(k), ex81.03(l), ex81.04(a), ex81.04(c), ex81.04(d), ex81.04(f), ex81.04(k), ex81.04(l), ex81.05(a), ex81.05(c), ex81.05(d), ex81.05(f), ex81.05(k), ex81.05(l), ex81.06(a), ex81.06(c), ex81.06(d), ex81.06(f), ex81.06(k), ex81.06(l), ex81.07(a), ex81.07(c), ex81.07(d), ex81.07(f), ex81.07(k), ex81.07(l), ex81.08(a), ex81.08(c), ex81.08(d), ex81.08(f), ex81.08(k), ex81.08(l), ex81.09(a), ex81.09(c), ex81.09(d), ex81.09(f), ex81.09(k), ex81.09(l), ex81.10(a), ex81.10(c), ex81.10(d), ex81.10(f), ex81.10(k), ex81.10(l), ex81.11(a), ex81.11(c), ex81.11(d), ex81.11(f), ex81.11(k), ex81.11(l), ex8112.11(a), ex8112.11(c), ex8112.19(a), ex8112.19(c), ex8112.19(f), ex8112.19(g), ex8112.20(a), ex8112.20(c), ex8112.20(d), ex8112.20(f), ex8112.20(k), ex8112.20(l), ex8112.30(a), ex8112.30(c), ex8112.30(d), ex8112.30(f), ex8112.30(k), ex8112.30(l), ex8112.40(a), ex8112.40(c), ex8112.40(d), ex8112.40(f), ex8112.40(k), ex8112.40(l), ex8112.91(a), ex8112.91(c), ex8112.99(a), ex8112.99(c), ex8112.99(f), ex8112.99(g), ex81.13(a), ex81.13(b), ex81.13(e), ex81.13(f), ex81.13(ij), ex81.13(k).

Chapter 82: headings 82.01, 8202.20, ex-8202.39(a), ex-8202.40(a), 8202.91, 8202.99, 82.03, 82.04, 8205.10, 8205.20, 8205.30, 8205.40, 8205.51, ex-8205.59(b), 8205.60, 8205.70, 8205.80, 8205.90, 82.06, ex-8207.19(a), 8207.20, 8207.30, 8207.40, 8207.50, 8207.60, 8207.70, 8207.80, 8207.90, 82.08, 82.09, 82.10, 8211.10, 8211.94, 8211.95, ex-8212.20(b), 8212.90, ex-82.13(b), 8214.10, ex-8214.20(b), 8214.90, 8215.10, 8215.20, 8215.99.

Chapter 83: headings ex-8301.10(a), ex-8310.20(a), ex-8301.30(a), ex-8310.40(a), 8301.50, 8301.60, 8301.70, ex-83.03(b), 83.04, 8305.20, ex-8305.90(a), 8306.10, 8306.30, 83.07, ex-8308.90(a), 83.09, 83.10, ex-8311.90(a).

B. Issues maintained in Basket 2

10. The following Chapters have been retained in Basket 2 for further examination by the Technical Committee :

Chapters 84 to 97

Chapter Notes, General Rules and the overall Architecture of the Harmonized Rules of Origin

Report on the Eleventh Session

11. The Report on the Eleventh Session was adopted by the Technical Committee at its Twelfth Session held in Brussels on 14 to 24 April and 4 to 15 May 1998 (Doc. 41.967³).

Report on the Twelfth Session

12. The Report on the Twelfth Session was adopted by the Technical Committee at its Thirteenth Session held in Brussels on 2 to 12 June 1998 (Doc. 42.261).

Report on the Thirteenth Session

13. The Report on the Thirteenth Session will be adopted by the Technical Committee at its Fourteenth Session to be held in Brussels on 19 to 30 October 1998 (Doc. 42.556).

³ Available for consultation in the Secretariat (Market Access Division).