



Activity Title and Number: Workshop on Harmonised System classification, A352C4

Beneficiary: General Administration of Customs (GACC)

Location and Date: Shanghai, 28-30 July 2014

Stakeholders: DG Taxud, World Customs Organisation, Member States

Brief Activity Report

Relevance and Impact

Both the EU and China employ the Harmonised System Nomenclature promulgated by the World Customs Organisation to classify traded goods. Accurate classification is critical for customs control and trade facilitation; it underpins the application of trade policies like tariffs and anti-dumping measures, and also provides regulatory certainty for importers and exporters. Many customs administrations also provide binding pre-entry classification rulings which give traders certainty about the customs treatment of goods before they reach the border. While the China Customs Law provides for the making of pre-entry rulings, the necessary implementing provisions and training are still under development. The EU's pre-entry rulings system, called Binding Tariff Information (BTI), is backed up with a database of classification information and robust governance arrangements to promote consistent decision-making across the 27 Member States. This could serve as a model for China as it moves to implement pre-entry rulings across its 42 customs regions. Given the WTO Agreement on Trade Facilitation also requires Members to issue pre-entry rulings this workshop was a timely input to GACC's reform efforts.

Activity Description

About 30 classification officials from GACC HQ and regional customs administrations attended the seminar. Presentations from the European Commission and Swedish Customs, gave a comprehensive account of how the EU manages the tension between centralised laws and local implementation. The EU has a common database of classification decisions, accessible by all Member States, to enable searching of previous decisions on similar goods. A system of committees can then be activated to resolve disagreements and, if necessary, recommend a Regulation to finally resolve the matter. Discussions about the how GACC could implement these kinds of governance systems were lively and will inform GACC's efforts to implement its first pre-entry ruling in 2014. The WCO also presented its views on best practice advance rulings in light of the WTO Agreement on Trade Facilitation and gave an overview of the latest amendment to the Harmonised System nomenclature. An expert roundtable on specific classification matters wrapped up the workshop.

Results and Dissemination

- Provided valuable practical information on how GACC can fully implement advance rulings in line with the new obligations under the WTO Agreement on Trade Facilitation.
- Increased GACC's local workforce capacity to accurately and consistently implement the latest amendments to the Harmonised System Nomenclature which will boost certainty for traders.