

WORLD TRADE ORGANIZATION

No: _____

G/SECRET/HS02/CAN/3
17 April 2002

(02-2128)

Original: English

2002 CHANGES IN THE HARMONIZED SYSTEM

Canadian Response to the Electronic Verification Results by the Secretariat

Schedule V – Canada

The following is a response to the WTO Secretariat's electronic verification of Canada's HS2002 Submission.

I. TEXTUAL COMPARISONS

1. Canada has removed the reference to "No." and "Nos." in its domestic tariff but has decided to keep references to "No." and "Nos." as they pertain to tariff item No. or tariff item Nos. The following items refer to tariff item No(s): 27101910, 27109910, 29189010, 39206210, 42029910, 8415901, 8415902 and 84619010. Canada will remove the reference to "No." and "Nos." when referring to heading/subheading as required. These few instances were an oversight.
Heading 5405 does not exist in Canada's submission. Does the Secretariat mean heading 5408? If so, Canada will remove the reference to "No.".
2. Agree – 01061200 – "cetecea" should read "cetacea".
3. Agree – 02084000 – "cetecea" should read "cetacea".
4. Agree – 03031 – "gorbushca" should read "gorbuscha"
5. 14030000 – "broom-corn" requires a hyphen according to WCO document NG0017B1 page 10 and Canada has included a hyphen in its Submission.
6. Agree – 15050000 – "Wood" should read "Wool" and "greases" should read "grease".
7. 1904 – according to WCO document NG0017B1 pg 13, there is no comma after "pre-cooked". Canada has not included a comma in its Submission.
8. Agree – 200961 – "20" should read "30".
9. Agree – 23080000 – "vegetable" should read "vegetable".
10. Agree – 25181000 – there should be a comma after "Dolomite".
11. Agree – 271091 – "terphynls" should read "terphenyls".
12. Agree – 292423 – "Acetamidobezoic" should read "Acetamidobenzoic".
13. Agree – 29334100 – "or" should read "and".
14. Agree – 39053000 – there should be a comma after "Poly(vinyl alcohol)".
15. Agree – 401162 – the word "and" should appear after the word "machine".
16. Agree – 401163 – the word "and" should appear after the word "machine".
17. 4202 – Agree hyphen is missing in "travelling-bags"; however, there is no hyphen in "shopping bags" according to WCO document NG0017B1 pg 61 and Canada does not show a hyphen; Agree that "handbags" should appear after "rucksacks" and Agree that "leatehr" should read "leather".
18. Agree – 4811 – "rectangular" should read "retangular".
19. Agree – 841581 – "heating" should read "heat".
20. Agree – 8419 – "fo rthe" should read "for the".
21. Agree – 8514 – "fo rthe" should read "for the" after the reference to "equipment".

22. Agree – 8518 – a comma should appear after “earphones”; “witha” should read “with a” and “ore” should read “or”.
23. Agree – 88052100 – “simluators” should read “simulators”.
24. Agree – 90099100 “doucment” should read “document”.
25. Agree – 90213900 – HS description should read “Other”. This item should also have 2 dashes preceding it.
26. Agree – 93011 – a comma should appear after “example”.

II. RATE COMPARISONS

1. Agree - 02109919 – from 02109019 which was amended in G/SECRET/10. The UR94 item 02109019 was included in G/SECRET/10 because its compound rate was converted to an ad valorem equivalent in the Canadian tariff simplification exercise. A new bound rate (the AVE) was proposed in G/SECRET/10. Rate is lower.
2. 19059049 – the rate contained in the Submission is incorrect. Bound rate should be shown as 3.2%. This item comes from UR94 item 19059015 which has a bound rate of 3.2%.
3. 27109110 – from 27100020 in G/SECRET/10 which came from UR94 items 27100010, 27100030 and 27100040. The part of 27100020 (G/SECRET/10) which is in HS02 27109110 comes from UR94 27100010 and 27100040 each with a bound rate of 8.2%. Therefore, there is no increase in the bound rate. Canada, however, needs to amend the “Description of Goods” to refer to “Lubricating oils or basestocks, containing by weight more than 50% of synthetic hydrocarbons” and “Petroleum greases and lubricating greases” only.
4. 27101110 – from 27100020 in G/SECRET/10 which came from UR94 items 27100010, 27100030 and 27100040. The part of 27100020 (G/SECRET/10) which is in HS02 27101110 comes from UR94 27100010 with a bound rate of 8.2%. Therefore, there is no increase in the bound rate. Canada, however, needs to amend the “Description of Goods” to refer to “Alkylenes, mixed, with a very low degree of polymerization” only.
5. 27109920 – from 27100020 in G/SECRET/10 which came from UR94 items 27100010, 27100030 and 27100040. The part of 27100020 (G/SECRET/10) which is in HS02 27109920 comes from UR94 27100010 and 27100040 each with a bound rate of 8.2%. Therefore there is no increase in the bound rate. Canada, however, needs to amend the “Description of Goods” to refer to “Lubricating oils or basestocks, containing more than 50% of synthetic hydrocarbons” and “Petroleum greases and lubricating greases” only.
6. 27101920 – from 27100020 in G/SECRET/10 which came from UR94 items 27100010, 27100030 and 27100040. This increase (impairment) was reported in G/SECRET/10 with respect to UR94 item 27100030 (certain white oils) only and is not as a result of HS2002.
7. 29252010 – from 29252010 in G/SECRET/10/Add.1 which is from UR94 item 29252090 (Bound Final Rate 6.5%/2004). Therefore there is no change in the bound rate.
8. 32064910 – from 32064910 in G/SECRET/10/Add.1 which is from UR94 items 32061910 and 32064920 and Annex codes 0428 and 0911 which are all bound at Free. Therefore, no change in bound rate.
9. 39269050 – from 39269050 in G/SECRET/10 which is from UR94 item 39269091 (Bound Final Rate is Free/2004). Therefore, no change in bound rate.
10. 41012091 – from 41042920 in G/SECRET/10/Add.1 which is from UR94 Annex code 1006 (Bound Final Rate is 5%/1999). Therefore no change in bound rate.
11. 41015091 – from 41042920 in G/SECRET/10/Add.1 which is from UR94 Annex code 1006 (Bound Final Rate is 5%/1999). Therefore, no change in bound rate.
12. 41019091 – from 41042920 in G/SECRET/10/Add.1 which is from UR94 Annex code 1006 (Bound Final Rate is 5%/1999). Therefore, no change in bound rate.
13. 41041191 – from 41042920 in G/SECRET/10/Add.1 which is from UR94 Annex code 1006 (Bound Final Rate is 5%/1999). Therefore, no change in bound rate.
14. 41041991 – from 41042920 in G/SECRET/10/Add.1 which is from UR94 Annex code 1006 (Bound Final Rate is 5%/1999). Therefore, no change in bound rate.

15. 41044192 Ex2 - from 41042920 in G/SECRET/10/Add.1 which is from UR94 Annex code 1006 (Bound Final Rate is 5%/1999). Therefore, no change in bound rate.
16. 41044922 – from 41042920 in G/SECRET/10/Add.1 which is from UR94 Annex code 1006 (Bound Final Rate is 5%/1999). Therefore, no change in bound rate.
17. Agree – 42029110 – from UR94 items 42029110 and 42029120. UR94 item 42029110 now has a lower bound rate as a result.
18. Agree – 42029210 – from UR 94 items 42029210 and 42049220. UR94 item 42049210 now has a lower bound rate as a result.
19. 42029220 – concordance is incorrect. This item is from UR94 item 42029210 only (Bound Final Rate 10%/1999). Therefore, no change in bound rate. Canada will need to revise the Concordance in its Submission.
20. 56079010 – from 56073010 and 56079010 in G/SECRET/10/Add.1 which are from UR94 Annex code 0051 which is bound at Free. Therefore, no change in bound rate.
21. 81073000 – from UR94 item 81071020 – Bound rate of new HS2002 item 81073000 should read 3% because the bound rate on UR94 item 81071020 is 3%. Canada's Submission will need to be amended to reflect this.
22. 81082010 – from 81081010 in G/SECRET10/Add.1 which is from UR94 Annex code 1490 (Bound Final Rate of Free). Therefore, no change in bound rate.
23. 84159023 – the concordance is incorrect. This item is from UR94 item 84159020 only and not 84159040 as stated in concordance. UR94 item 84159040 should be concorded to 84159022. Therefore, no change in bound rate. Canada's submission needs to be updated to reflect this.
24. 87149910 – from 87149910 in G/SECRET/10/Add.1 which is from UR94 87149920 (Bound Final Rate is 6.7%/1999). Therefore there is no increase in the bound rate.
25. As a result of G/SECRET/10 and G/SECRET/10/Add.1 several "Ex" items were created in the Concession Table of the CTS database to cover the footnotes from these Notifications. Therefore, the "Ex" items do not appear in any previous WTO paper schedule. Canada based its HS2002 Submission on the Concession Table contained in its CTS database. In order to do a proper rate comparison without having the concessions contained in the above-mentioned Notifications certified, Canada would need to provide further documentation to link these items back to previously certified concessions in its Schedule V. If there were rate changes (previously reported in G/SECRET/10 and G/SECRET/10/Add.1), these issues were dealt with in the context of Article XXVIII negotiations in respect of those Notifications.
26. As a result of Canada's Tariff Simplification exercise, these tariff items were introduced in Canada's Notifications G/SECRET/10 and G/SECRET/10/Add.1 to reflect the changes Canada made to its domestic tariff. Therefore, these items do not appear in any previous WTO paper schedule. Canada based its HS2002 Submission on the Concession Table contained in its CTS database. In order to do a proper rate comparison without having the concessions contained in the above-mentioned Notifications certified, Canada would need to provide further documentation to link these items back to previously certified concessions in its Schedule V. If there were rate changes (previously reported in G/SECRET/10 and G/SECRET/10/Add.1), these issues were dealt with in the context of Article XXVIII negotiations in respect of those Notifications.

III. HS2002 ITEMS MISSING

1. 2208 – Canada did not have to make any changes to this heading. Canada's current and pre-HS02 domestic tariff and Schedule V under Heading 2208 read "undenatured" and are correct. Therefore Canada did not include this tariff line in its submission.
9206 – Canada did not have to make any changes to this heading. Canada's current and pre-HS02 domestic tariff and Schedule V under Heading 9206 read "maracas" and are correct. Therefore Canada did not include this tariff line in its submission.

2. 56031 - Canada did not have to make any changes to this tariff line. Canada's current and pre-HS02 domestic tariff and Schedule V under tariff line 56031 reads "filaments" and are correct. Therefore Canada did not include this tariff line in its submission.
3. Agree – 021099 – the HS description for this subheading should read "Other"
291431 – Canada did not have to make any changes to this subheading. Canada current and pre-HS02 domestic tariff and Schedule V both read "(phenylpropan-2-one)" and are correct. Therefore Canada did not include this tariff line in its submission.
920600 – see comment under 1. re: heading 9206

IV. HS96 ITEMS NOT REMOVED

None – Agreed.

V. OTHER ISSUES/COMMENTS

1. Canada is one of a few countries to include the "HS Notes" in its WTO Schedule. Since this is not seen to be the accepted practice of most members, we did not update these Notes to HS2002. We would instead propose to withdraw the "HS Notes" from Schedule V. Canada's Supplementary Notes are contained in its CTS database.
 2. "Special Safeguard" column – Canada did not include the column in its submission because the column was not included in the example presented in G/MA/W/28 (22 June 2001). Canada plans to include this information in its update to the Concession table in the CTS database when this Submission is certified. Canada will provide a document containing the "SSG" reference for members' information.
 3. Canada is currently reviewing its Ag Commitment in the CTS to verify if changes will be required and will submit such information if necessary. Canada withdrew its Annexes in its Tariff Simplification Notifications G/SECRET/10 and G/SECRET/10/Add.1. The information in these annexes is now contained within the main schedule. Since the Submission was based on information contained in Canada's CTS (without the annexes), Canada did not provide updates to these annexes.
 4. "Present Concession Established" – Canada realizes that the commitments referenced under G/SECRET/10 and Add.1 are not approved but the HS2002 Submission was based on information contained in Canada's Concession table in the CTS and these are the references that are contained in that table. These references will be changed when those Notifications are certified. However, if they are not certified, Canada would provide further documentation to reference these concessions back to UR94, HS96 or other "certified" concessions.
-