

HS2012 Changes – A Brief Overview

1 January 2012 marks an important date on the International Customs and Trade Calendar: from then onwards the HS Nomenclature 2012 will be in effect. The Recommendation of the Customs Cooperation Council of 26 June 2009 concerning the HS 2012 amendments is the fifth to amend the Harmonized System Nomenclature since the WCO Council approved its adoption in 1983, though it is only the fourth to make major amendments.

HS 2012 includes 220 sets of accepted amendments, divided as follows:

- 98 relate to the agricultural sector;
- 27 to the chemical sector;
- 9 to the paper sector;
- 14 to the textile sector;
- 5 to the base metal sector;
- 30 to the machinery sector; and
- an additional 37 that apply to a variety of other sectors.

Environmental and social issues of global concern are the major feature of these amendments, particularly the use of the HS as the standard for classifying and coding goods of specific importance to food security and the early warning data system of the Food and Agriculture Organization of the United Nations (FAO).

The volume of amendments within, for instance, Chapter 3, for the separate identification of certain species of fish and crustaceans, molluscs and other aquatic invertebrates, is substantial. In the same vein, new subheadings have been created for the separate identification of certain edible vegetables, roots and tubers, fruit and nuts, as well as cereals.

Changing trade patterns also played a role in the current amendments resulting in 43 subheadings being deleted on account of low trade while the structured nomenclature (the subheadings) of certain HS headings had to be modified. On the other hand, new subheadings were created for products which are now being increasingly traded around the world, such as lilies (*Lillium spp.*), sweetened dried cranberries and cranberry juice, water pipe tobacco and wood pellets, to name a few.

With a view to simplifying the HS, the amendments include for instance a new provision grouping sanitary towels (pads) and tampons, napkins and napkin liners for babies and similar articles, of any material, in one single heading (heading 96.19).

HS 2012 Guide to significant amendments to the Customs Tariff Act 1995

Chapter 3 – live, fresh, chilled, frozen, salted etc fish and fish products

- Restructure of most headings in Chapter 3 to specify new species of fish.
- New heading (0308) for aquatic invertebrates (e.g. Sea urchins, jellyfish).
- Amendments to include smoked molluscs and smoked aquatic invertebrates (crabs, prawns, lobsters etc) in Chapter 3.
 - These goods transfer from Chapter 16.

- These changes result from the Food and Agriculture Organization of the United Nations proposal to enhance the monitoring of global food security.

Chapter 30 – Pharmaceutical Products

- Amendment of the definition of “immunological products” in Chapter 30 Note 2.
 - New definition includes modified immunological products as previously and also adds products such as interleukins and interferons.
- Scope of heading 3002 and subheading 3002.10 is increased and applies to immunological products whether or not modified.
 - Split of subheading 3002.10.00.

Chapter 96 – Miscellaneous Manufacture Articles

- Creation of new heading 9619 for “sanitary articles”.
- “Sanitary articles” generally:
 - are shaped so that they may fit snugly to the human body
 - are designed to wick fluid from a wearer’s skin
 - have an absorbent core
 - have an impermeable layer
- Sanitary articles include sanitary pads, tampons, panty liners, incontinence pads, nursing pads and all babies napkins of any material. It also includes all undergarments specifically designed for sanitary and incontinence purposes including babies and childrens ‘pull-up’ pants, of any material.
- Goods transfer to 9619 from a range of headings and subheadings (in Chapters 30, 39, 48, 56, 61, 62 and 63).

Chapter 84 –Machinery and mechanical appliances etc

- Water jet cutting machines - creation of new subheading 8456.90.10 for these goods.
 - These goods transfer from 8479.89.90.

Chapter 95 – Toys, games and sports requisites

- Infra red remote control devices for toys and games - amendment of Note 1(m) to Chapter 95 to exclude these goods from classification in Chapter 95.
 - These goods transfer to subheading 8543.70.00.