

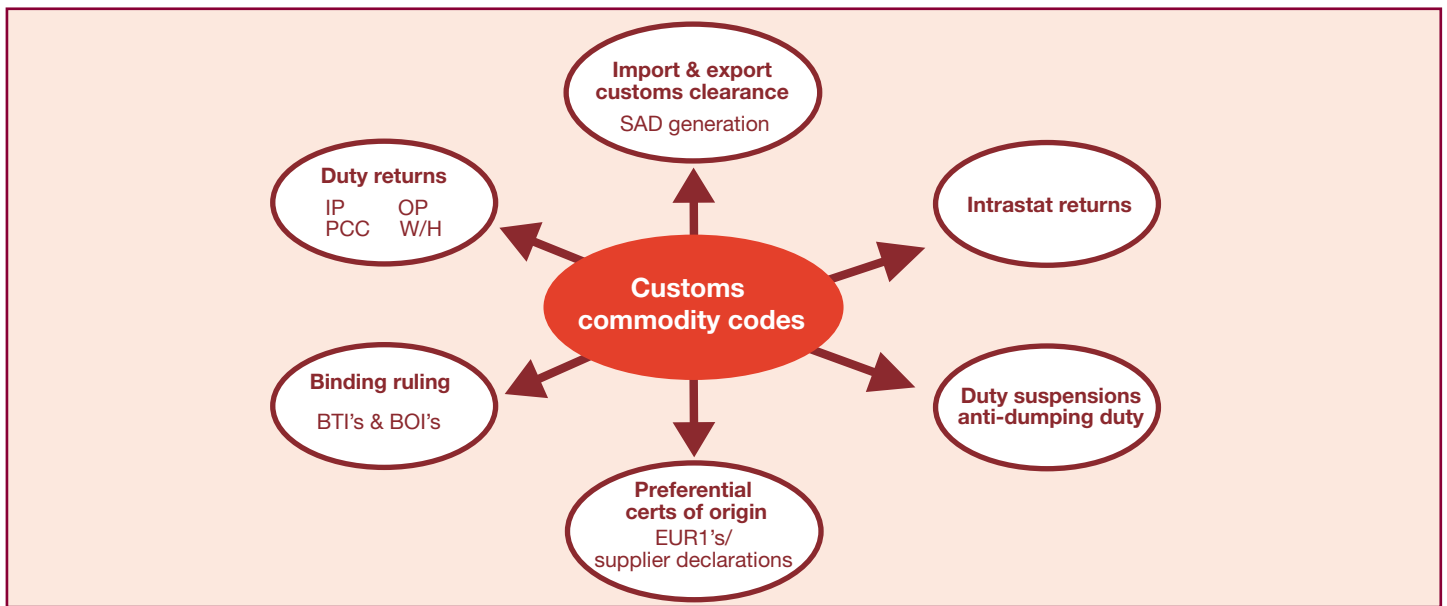


Major changes on 1 January 2007

affecting customs and intrastat reporting

There will be major changes to the customs classification of goods from 1 January 2007 as a result of a revision to the Harmonized System Convention⁽¹⁾. These changes will impact the codes you use for Customs clearance and Intrastat reporting.

Areas Impacted by 2007 HS Changes



Examples of types of HS changes which may occur

HS Changes
one-to-one correlation

2002	→	2007
8485.10		8487.10

HS Changes
one-to-many correlation

2002	→	2007
4601.91		4601.92 4601.93 4601.94

Impact of the changes

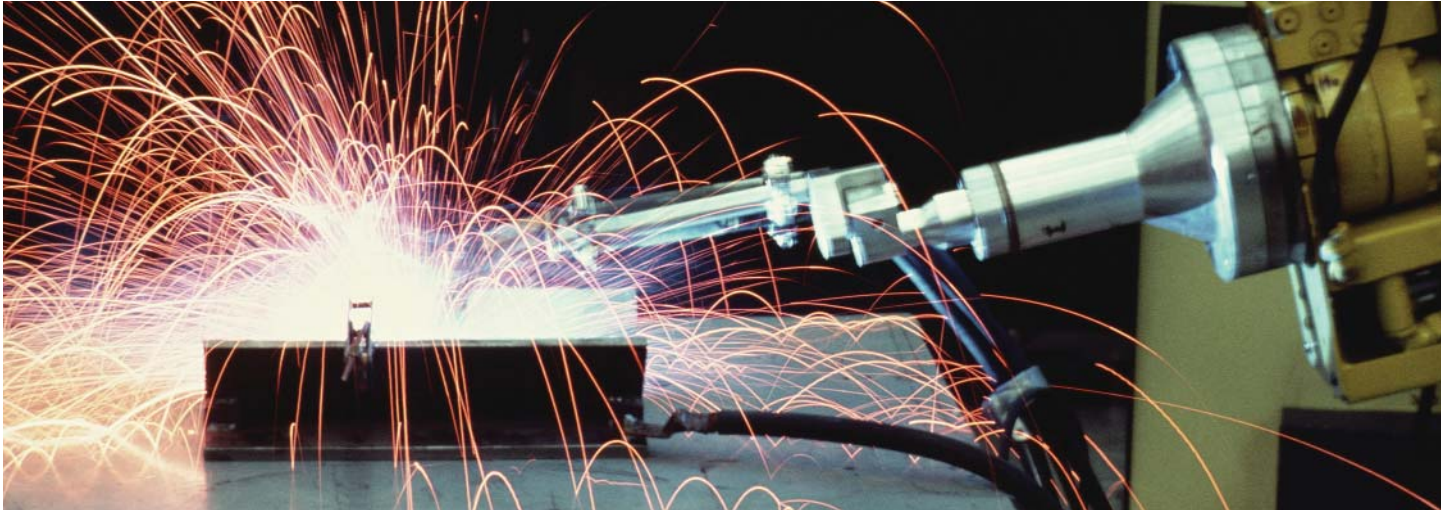
While the 2007 HS changes will not affect existing customs duty rates (current rates should move with the new classifications), they will affect your existing tariff or commodity code used for customs clearance and Intrastat reporting.

Failure to transpose your codes may lead to delays in clearing your imports and exports and expose you to penalties for breaching customs and intrastat reporting rules.

The changes also affect the following:

- Authorisations you have for customs procedures (Inward Processing Relief, Processing under Customs Control PCC, Outward Processing OP, Customs Warehousing, etc.)
- Binding Classification/Origin (BTI's and BOI's)
- Rules of Origin and Tariff Suspensions
- Shipping Invoice Generation

⁽¹⁾ The Harmonised Commodity Description and Coding System, which is better known as the Harmonised System or HS, is undergoing its third major revision since its adoption. It forms the basis of all commodity codes to 6 digit level.



What you need to do;

- Identify what products will be affected by the 2007 HS changes
- Allocate resources to identify the areas impacted (authorisations, BTI's, origin rules, etc.) and manage these changes
- Book necessary time with your systems administrators in order to capture changes
- Update the tariff or commodity code tables on your classification database or MRP/ERP system

What can PwC do for you?

PwC have developed an IT solution which will analyse the impact of the 2007 changes for your business. It will transpose your codes and identify the actions needed in the other impacted areas. This will include:

- Transposition in any format you provide identifying all one to one correlations
- Assistance in classifying products where no direct correlation or other uncertainty exists
- Identify any changes in preferential origin rules
- Identify other necessary changes with a work-plan to deal with them
- Support your system administrators when uploading the relevant changes

Time is running out - 2007 HS
Changes come into Effect
01-Jan-2007

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