



# Use of interim sub-regional HS Codes for HFCs

*Presentation by the  
Oceania Customs Organisation*



# OPERATING ENVIRONMENT



**23 MEMBERS**

- 15 INDEPENDENT
- 2 SELF GOVERNING
- 6 TERRITORIES



WORLD CUSTOMS ORGANIZATION  
**8 MEMBERS**



**8 MEMBERS**



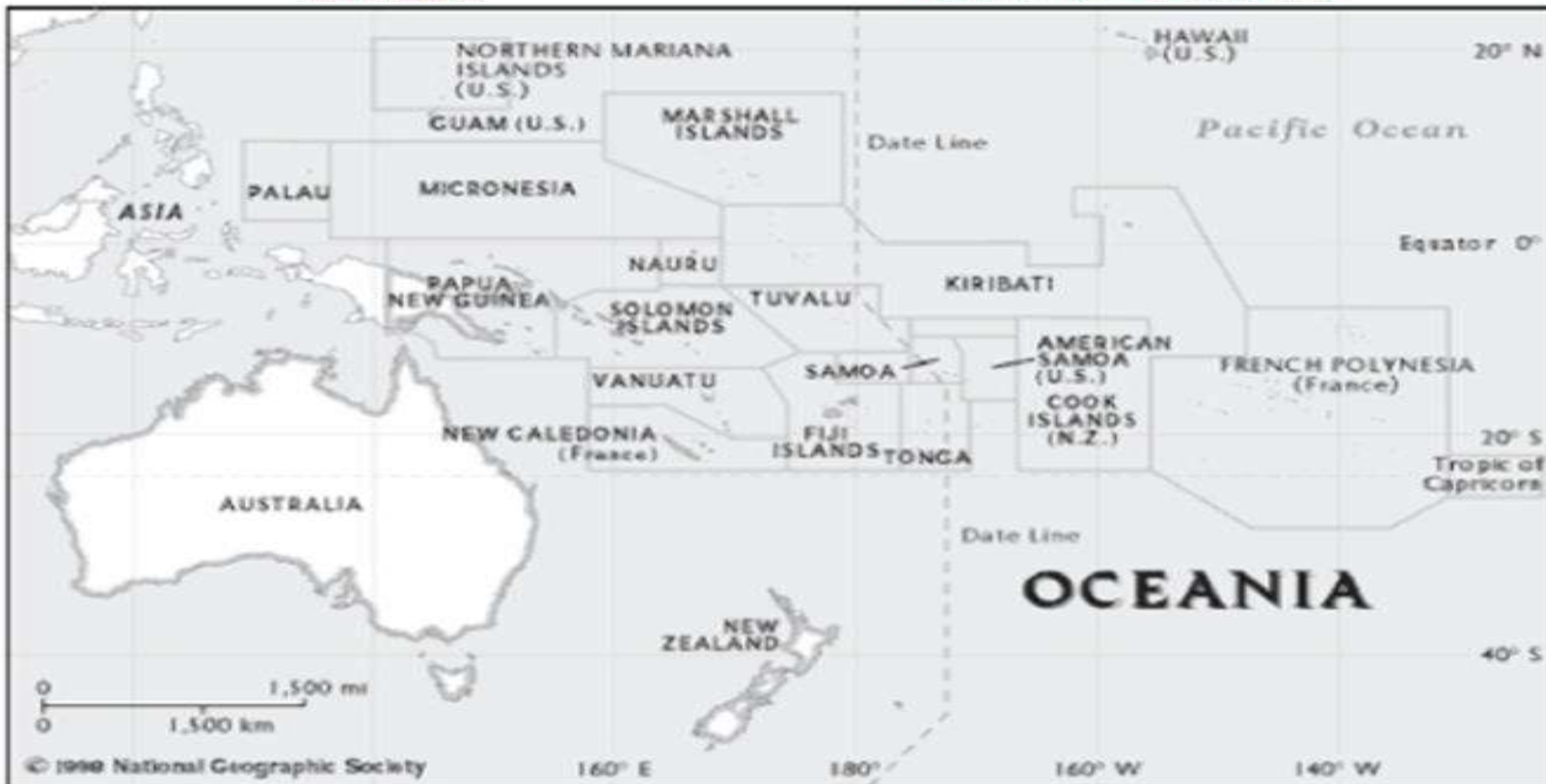
**PACIFIC - 2,100 OFFICERS**



**POPULATION OVER 12.5MILLION (PACIFIC)**



**566,000KM2**



**18 MEMBERS - ADOPTED HS 2017**



**81% USING AUTOMATED SYSTEM**



**6 CONTRACTING PARTIES - PACIFIC**



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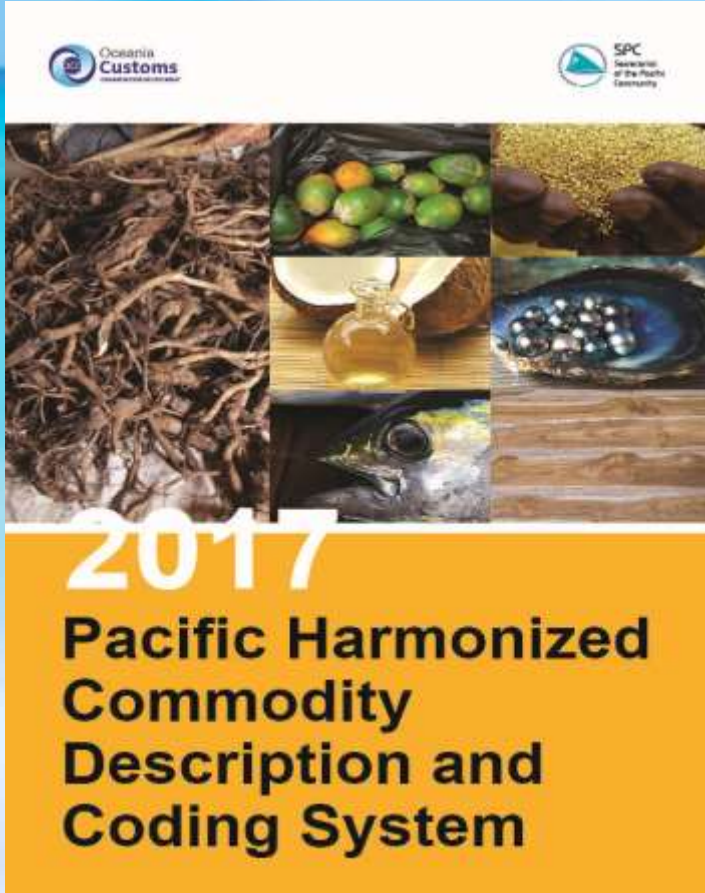
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# Pacific Harmonized Commodity Description and Coding System 2017 (PACHS 17)



- Assist OCO members in particular the non-WCO members to adopt HS 2017
- Commodities specific to the Pacific that are traded can be correctly classified, example, kava, beetle nut, island wear
- Enable regional comparison and international comparison
- Control of regulated substances
- Correct record of trade statistics

- The PACHS17 is a multipurpose goods nomenclature that forms the basis for Customs Tariffs and International Merchandise Trade Statistics.
- At the six-digit level PACHS17 is comparable to WCOs HS 17
- An additional hierarchical level (7<sup>th</sup> and 8<sup>th</sup> called Regional Sub-Heading was added below the HS Sub-Heading to allow for classification at the regional level.



# Review of HS 2017 Work

Took 1-2 years after entry into force to effectively implement HS new edition across the Pacific Island Countries

Jan 2017

- Fiji, Vanuatu, PNG adopted HS17

Feb 2017

- HS 2017 Workshop

March –  
December 2017

- Developing PACHS 17

Jan-June 2018

- Transposition of HS 17 for PACER Plus signatories
- Adoption by some members

May 2018

- Launch of PACHS at Annual OCO Conference

July 2019

- 11 countries adopted HS 2017





# HS codes HFCs and HFC blends in the PICs:

## June 2019 - WCO Recommendation:

- HS contracting Parties establish additional digits in the current national HS to identify specific HFCs



## August 2019 – Twinning Workshop for Ozone and Customs Officers, Palau:

- PICs agreed to revise PACHS 17 to include HS codes for HFCs and blends
- Worked with UNEP to assign regional code as per WCO interim arrangement



## PACHS Review Meeting – Sept 2019

- Review Committee approved the revised PACHS 17
- Worked with UNEP on transposition to submit to members



## Countries to implement interim arrangement

- To date none of the Pacific customs administrations have adopted the interim arrangement

## CHALLENGES

1. Took long time to implement HS 2017 for many of the non-WCO members and hence amendments is considered another lengthier process - Legislative process, system update, consultation national level
2. Understanding of the HFCs and HFC blends for Customs and Environment to effectively coordinate amendments through national process
3. Many countries are heavily reliant on customs duties and amendments that affect such are given higher priority
4. With imminent introduction of HS 2022 it was a preferred approach for countries to wait for HS 2022



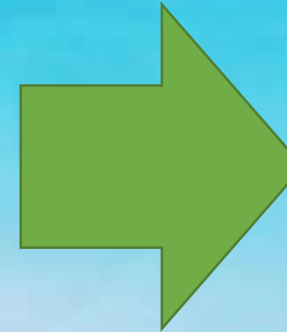
# What will we do?

## Interim - 2021

1. Customs administrations manually records HFCs and HFC blends breakdowns using the correlation Tables provided by UNEP

2. Agency cooperation between Customs and Department of Environment should be established for investigation and data reconciliation purposes

3. Establish a Profile of importers and/or brokers importing HFC and HFC blends and work with them on reporting purposes



Training will be needed and conducted



# 2021 – Advance Preparations for HS 22

WCO

Pacific Regional Subheadings

- OCO have begun work on PACHS 2022
- Working with UNEP with the Draft HS Code for HCFCs, HFCs and Mixtures to be incorporated at 8 digit level
- There is need to identify commonly used and potential HFCs and blends in the region
- Assisting all OCO members with transposition work for effective implementation on 1 January 2022

3827.61		-- Containing 15 % or more by mass of 1,1,1-trifluoroethane (HFC-143a)
	3827.61.10	--- R-404A
	3827.61.20	--- R-507A
	3827.61.90	--- Other
3827.62		-- Other, not included in the subheading above, containing 55 % or more by mass of pentafluoroethane (HFC- 125) but not containing unsaturated fluorinated derivatives of acyclic hydrocarbons (HFOs)
	3827.62.10	--- R-422D
	3827.62.90	--- Other
3827.63		-- Other, not included in the subheadings above, containing 40 % or more by mass of pentafluoroethane (HFC-125)
	3827.63.10	--- R-407A
	3827.63.20	--- R-410A
	3827.63.30	--- R-438A
	3827.63.40	--- R-452A
	3827.63.90	--- Other

## Harmonize at 8<sup>th</sup> digit level:

- Speeds up process of identification of products at imports
- Basis for licensing regime
- Comprehensive collection of data on HFC and HFC blends
- Comparability of data across countries

Collect data on imports of HFCs and HFC blends at the national level for subdivision purposes

