

Significant Tariff Changes Scheduled for 2007

May 2006

The World Customs Organization ("WCO") recently announced that it has completed its five-year periodic review of the Harmonized Tariff Schedule ("HTS"). As a result, the WCO has recommended significant changes to the HTS, which are scheduled to take effect January 1, 2007.

Although the HTS has undergone periodic WCO review in the past (1996 and 2002), the changes currently slated to take effect are more substantial and impact more tariff provisions. Changes are scheduled for 83 of the 97 international chapters of the HTS. Several new tariff headings have been created, while other provisions have been altered or deleted.

A few of the numerous changes scheduled to take effect include the creation of a new tariff heading for mercury products, (2852), and semiconductor and integrated circuit manufacturing equipment, (8486). The heading for printing machinery, (8443), has been expanded to include multi-function digital copying equipment. The headings for storage and software media products, (8523 and 8524), have also been altered.

In order to avoid delays and fulfill reasonable care obligations, importers are encouraged to review the HTS revisions in advance of implementation in order to update records and ensure the proper classification of their imported merchandise. These tariff changes may alter the effect of previously obtained tariff classification rulings as well as impact eligibility for free trade agreements.

If you have further questions concerning the impact of these changes upon your transactions, or wish to obtain a copy of the HTS changes, please contact one of the Katten Muchin Rosenman LLP Customs and International Trade attorneys or professionals listed below.

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