



SEA Customs and Trade Alert Stay informed of changes

Greetings from the SEA Customs and Global Trade Services group. This newsletter is your reference for practical information on relevant customs issues. We are pleased to provide the latest Customs and Trade Alert on:

Adoption of World Customs Organisation Harmonised Commodity Classification System in Southeast Asia

The World Customs Organisation (WCO) Harmonised System (HS) 2017 entered into force on **1 January 2017**. The HS 2017 includes 242 sets of amendments (including complementary amendments) that ensures alignment with technological developments and reflects classification decisions made in the HS Nomenclature Technical Committee.

The changes to HS (at 6 digit level) will principally impact the agricultural, chemical, wood, textile, base metal, machinery and transport sectors.

What this means for you

All the Customs authorities across Southeast Asia (SEA) have advised that they will be adopting HS 2017 changes into the ASEAN Harmonised Tariff Nomenclature (AHTN).

However it is important to note that, at country level, the date of enforcement of the HS 2017 changes will vary from January 2017 to mid-April 2018.

As the timing for adoption of HS 2017 is not uniform across SEA, companies impacted by the changes will need to monitor the effective date of enforcement in each respective country to ensure that the appropriate HS codes for their products are declared at the time of import and export.

Failure to declare the correct HS codes upon local adoption of changes could result in delays in customs clearance and potential exposures to penalties for incorrect declarations.

What to do

With adoption of HS 2017, companies should:

- Evaluate what impact the HS 2017 changes have on the tariff classification of their products and resultant duties and border charges to business.
- Assess what changes need to be made to their ERP/WMS systems to ensure that the correct HS codes are captured and declared to Customs.
- Review any existing trade facilitation approvals to determine whether these need to be amended in light of the HS 2017 changes.
- Determine whether the new HS codes will give rise to any import/export licence requirements.
- Review whether existing HS classification rulings issued by customs authorities are still valid upon adoption of HS 2017, and if not, consider filing new applications.
- Communicate any changes to the HS codes of their products to customs brokers, as necessary.

Contacts

For more information on the HS 2017 amendments and the impact these changes will have on your cross-border trade, please contact any of the country leads listed below or your usual Customs and Global Trade Services contact in Deloitte.

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