



HARMONIZED SYSTEM  
REVIEW SUB-COMMITTEE

NR0129E1

-  
22<sup>nd</sup> Session

O. Fr.

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H3-1

Brussels, 7 September 2000.

POSSIBLE AMENDMENT OF NOTE 5 (B) TO CHAPTER 85

(Item III.B.9 on Agenda)

Reference documents :

NC0077E1 (HSC/23)  
NC0090E2, Annex IJ/14, paragraph 6 (HSC/23 - Report)  
NR0119E1 (RSC/22)

I. BACKGROUND

1. At its 23<sup>rd</sup> Session in May 1999, the Harmonized System Committee noted the proposal by several delegates to update the legal text and the Explanatory Notes to heading 85.42 to better represent present day technology regarding the definition of *electronic integrated circuits and microassemblies* within the meaning of that heading.
2. Given that the scope of the names under consideration is defined by Note 5 (B) to Chapter 85, the Secretariat sent a letter to Member Administrations requesting their opinion on the conditions for applying this legal Note and on the provisions of the relevant Explanatory Note.
3. On 19 July 2000, the South African Administration informed the Secretariat of its viewpoint regarding the practical difficulties it had encountered.

II. NOTE FROM SOUTH AFRICA

4. "It is essential to more closely define what is covered by the scope of heading 85.42, as the exclusivity of the last paragraph of Note 5 to Chapter 85 is dependent thereon. This administration has encountered difficulties when agents/importers attempt to invoke

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exclusivity in terms of Note 5, whilst it is difficult, in terms of modern technology, to ascertain whether the products in question are even classifiable in heading 85.42 at all.

5. The exclusion at the bottom of page 1517 (small print) also causes great confusion. On the surface it would appear that this exclusion refers to integrated circuits (ICs) that have been mounted on printed circuit boards (PCBs). This exclusion, read with the fine print in the final paragraph after Part (II), creates the impression that if an IC is mounted on a PCB, it automatically becomes a "part" of some machine or apparatus.
6. A particularly important addition to these Notes would be a reference to when, and in which form, a "memory" would still be classifiable as an integrated circuit or microassembly. This relates particularly to what is in common terminology termed a **SIMM** or a **DIMM** module. These so-called "memory modules" are imported in huge quantities. A reference to them by name, either as an inclusion or exclusion, would be of assistance.
7. A cross-reference between heading 85.42 and heading 85.48 would also be very helpful as regards these modules, as the latter heading is also a classification possibility."

### III. SECRETARIAT COMMENTS

8. The Secretariat points out to the Committee that the abbreviations **SIMM** and **DIMM** contained in the Note from the South African Administration stand, respectively, for *Single Inline Memory Module* and *Dual Inline Memory Module*.

### IV. CONCLUSION

9. The Committee is invited to take account of South Africa's comments above when examining this Agenda item.
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