



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

-
23rd Session
-

NR0152E1
(+Annex)
O. Eng.

Brussels, 21 February 2001.

POSSIBLE AMENDMENT OF THE TEXT OF HEADING 85.25
TO CLARIFY THE CLASSIFICATION OF CAMERAS
(Item III.A.6 on Agenda)

Reference documents :

NC0055E1 (HSC/23)	NR0101E2, Annex B/12 (RSC/21 – Report)
NR0072E2, Annex C, paragraph 94 (RSC/20 – Report)	NR0101E2, Annex E/15 (RSC/21 – Report)
NR0086E1 (RSC/21)	NR0118E1 (RSC/22)
NR0093E1 (RSC/21)	NR0133E2, Annex D/8 (RSC/22 – Report)
NR0095E1 (RSC/21)	NR0141E1 (RSC/23)

I. BACKGROUND

1. The Secretariat received, on 16 February 2001, proposals from the Canadian Customs Administration with regard to the amendment of headings 85.25 and 90.06 in connection with the classification of digital cameras. The proposals are reproduced in the Annex to this document.

II. SECRETARIAT COMMENTS

2. Due to the recent arrival of the proposals, the Secretariat considers that it would be appropriate to have a preliminary discussion only at the 23rd Session of the Review Sub-Committee.

III. CONCLUSION

3. The Sub-Committee is invited to examine the proposals from the Canadian Administration taking into account the comments by the Secretariat in paragraph 2 above.

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File No. 2690

Note from the Canadian Administration

Background

1. In 2002 the text of heading 85.25 will be :

Transmission apparatus for radio-telephony, radio-telegraphy, radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras; still image video cameras and other video camera recorders; digital cameras.

8525.10 - Transmission apparatus

8525.20 - Transmission apparatus incorporating reception apparatus

8525.30 - Television cameras

8525.40 - Still image video cameras and other video camera recorders; digital cameras

2. At the time of the development of the Harmonized System, cameras operated on the principle of photographic chemistry in which a picture is taken by means of the chemical action of light on light-sensitive (i.e. photosensitive) film. As a result, cameras (with the exception of cinematographic cameras) were organized into heading 90.06. The only significant type of camera that did not operate on that principle was the television camera. They were included in heading 85.25 along with television transmission apparatus. This was a reasonable approach since television cameras were a very distinct product dedicated to that industry. Similarly, video cameras were later added to heading 85.25 as they were deemed to be similar to television cameras.
3. Advances in technology led to the development of cameras that did not employ the principle of photographic chemistry for capturing still images. These cameras are referred to in the 2002 text to heading 85.25 as "still image video cameras" and "digital cameras". They use photosensitive sensors (e.g., CMOS) to measure the light that strikes them and transmit that information for storage or processing. They perform the same function as "photographic cameras" of heading 90.06 (i.e. capturing images by focusing light through a lens to define the content of the image). The basic difference between them and photographic cameras of heading 90.06, therefore, is the medium on which the image is stored. Whereas photographic cameras of heading 90.06 rely upon the chemical action of light or other radiation on sensitive film, the cameras of heading 85.25 store images on small magnetic discs or data files or send them directly to an automatic data-processing machine.

Concerns

4. The Canadian administration believes that the reference to "still image video cameras and other video camera recorders" in the 2002 text to subheading 8525.40 is technically incorrect. The term "video camera" is universally defined as a camera, which captures moving images. The term "still image video camera", therefore, is a contradiction in terms. The problem is further compounded by the reference to "other video camera recorders" which implies that still image cameras are a type of video camera recorder. The Canadian administration is also of the view that the provisions for "still image video cameras" and "digital cameras" in subheading 8525.40 are not mutually exclusive. The term "digital camera" is used in the industry to cover a wide range of cameras including analogue-digital cameras and digital cameras that have the capacity to capture video images. The industry distinguishes between digital cameras (i.e. those designed to capture still images) and video

camera recorders/camcorders (designed to capture moving images) but not between "still image cameras" and "digital cameras".

Proposals

5. To correct these anomalies, and in keeping with the generally accepted HS principle that related goods should be grouped together under the same roof or heading, the Canadian administration proposes that :
- (i) "Still image video cameras" and "digital cameras" in the 2002 text to subheading 8525.40 be replaced with the term "still image digital cameras." This terminology is consistent with current industry usage.
 - (ii) The term "video camera recorders" be followed in parenthesis by "(camcorders)". The term "camcorder" is widely used by the industry and consumers to refer to video camera recorders. This addition would serve to clarify the meaning of the term "video camera recorders." It should be noted that the term "camcorder" already appears in the proposed amendments to the Explanatory Notes to heading 85.25 (Annex S/6 to Doc. NC0340B1).
 - (iii) The provisions for digital cameras and video camera recorders (camcorders) be transferred to heading 90.06. As outlined in paragraph 3 above, both photographic cameras and digital cameras perform the same function and differ only in the storage medium that they employ.
 - (iv) The provision for television cameras in heading 85.25 be transferred to heading 90.06. Television cameras, digital cameras and video camera recorders (camcorders) are cameras in a generic sense. They differ only in the technologies employed to capture and record the image.
6. The effect of these proposals would be that all cameras not performing a specific function elsewhere specified in the nomenclature would fall to be classified under one heading (i.e. heading 90.06). This is consistent with the generally accepted HS principle that related goods should be grouped under the same heading. In addition, these proposals would :
- Eliminate the need to distinguish between provisions for similar goods in separate headings;
 - Allow the goods to be described under a single Explanatory Note.
7. The text headings 85.25 and 90.06 would be as follows :
- 85.25 - Transmission apparatus for radio-telephony, radio-telegraphy, radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus.
- 90.06 - Photographic (other than cinematographic) cameras; photographic flashlight apparatus and flashbulbs (other than discharge lamps of heading No. 85.39); television cameras, still image digital cameras and video camera (camcorders)

8. Subheadings 8525.30 and 8525.40 would be deleted and the following new subheading texts would be added to heading 90.06 :

9006.70 - Television cameras
9006.80 - Still image digital cameras and video camera recorders (camcorders)
9. As heading 90.06 would cover both photographic and non-photographic cameras, subheadings 9006.10 to 9006.59 should also be amended to refer specifically to photographic cameras. These amendments are necessary since there would otherwise be an overlap between these subheadings and the two proposed ones.
10. There will also have to be a number of consequential amendments to Explanatory Notes.
