



HARMONIZED SYSTEM  
COMMITTEE

-  
28<sup>th</sup> Session

NC0493E1

O. Fr.

Brussels, 27 September 2001.

CLASSIFICATION OF PARTS OF MACHINES FOR BENDING, FOLDING AND  
STRAIGHTENING SEMICONDUCTOR LEADS (REQUEST FROM THE WTO)

(Item VIII.17 on Agenda)

I. ORIGIN OF THE QUESTION

1. On 1 July 2001, the Secretariat received a note from the Chairman of the WTO Committee of Participants on the Expansion of Trade in Information Technology Products requesting the HS Committee's opinion on the classification of a number of products.
2. Among the products at issue are parts of machines for bending, folding and straightening semiconductor leads.
3. Through its letters to Member administrations and the ICC, the Secretariat endeavoured to gather more precise information on the equipment at issue. At the time of publication it has yet to receive any replies.

II. SECRETARIAT COMMENTS

4. In relation to the discussions held by the group of Customs specialists of the ITA participants, the Secretariat would begin by highlighting the fact that the said group had proposed submitting this item to the HSC with a view to determining how to make a distinction between "parts" and "accessories" for the subheadings of heading 84.66, given that they had different interpretations of these terms.
5. The above issue is obviously based on the assumption that, provided all the products manufactured by this type of machine were made of metal, the corresponding host apparatus would be classifiable in subheadings 8462.21 or 8462.29.
6. Similarly, the classification of "parts and accessories" within heading 84.66 would also be appropriate provided that the articles at issue were not covered by a specific heading of Chapter 84 or 85 (in which case Note 2 (a) to Section XVI would apply).

File No. 2880

7. Accordingly, the subheadings likely to be taken into consideration would be, where applicable, 8466.10, 8466.20, 8466.30 and 8466.94.
8. However, it should be noted that the general structure of heading 84.66 makes no distinction between "parts and accessories".
9. With regard to accessories, account could possibly be taken of the information in the first paragraph of the Explanatory Note to heading 84.66 (Item (B), page 1392) which sets out the following general criteria :
- "(B) **Accessories** for these machine-tools, that is, subsidiary devices used in connection with machine-tools, such as interchangeable devices which modify the machine-tool so that it can perform a wider range of operations; devices to increase precision; devices which perform a particular service relative to the main function of the machine."
10. In that line of thought, according to a previous study carried out by the Secretariat (see Doc. 18.138 - NC/29/May 72), the question of whether or not an object should be considered an "accessory" or a "part" could be resolved by making the distinction based on the effect that the absence of the item concerned would have on the functioning of the object for which it is intended. In the first case, the latter performs its functions satisfactorily, whereas in the second it is prevented from functioning or from functioning satisfactorily.
11. The Secretariat accepts that, in some cases, making a distinction on this basis could prove difficult. However, it feels that these are borderline cases which do not pose an obstacle to the criteria set.
12. At any rate, the Secretariat would point out that there seems to be some lack of alignment between the two versions of the Explanatory Note to heading 84.66. Whereas the English text describes "accessories" as "subsidiary devices used in connection with machine-tools", the corresponding French text provides no such clarification.
13. Although for the purposes of the HS the Secretariat sees no real need to make a distinction between "parts" and "accessories" of heading 84.66, it is clear that such an undertaking would be very difficult without knowing the precise function of each device under examination in relation to the function of the host machine.

### III. CONCLUSION

14. The Committee is invited to :
- Decide whether to conduct a study with a view to distinguishing between "parts" and "accessories" classifiable in heading 84.66 and, if so,
  - Determine the types of devices whose classification it is prepared to examine.
-