



HARMONIZED SYSTEM
COMMITTEE

NC0528E1

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29th Session

O. Eng.

Brussels, 27 March 2002.

HOW SHOULD THE HS COMMITTEE DEAL
WITH THE CLASSIFICATION OF PRODUCTS THAT ARE NO LONGER BEING
MANUFACTURED BUT ARE STILL BEING TRADED INTERNATIONALLY ?

(Item III.4 on Agenda)

Reference documents :

NC0430E2, Annexes H/1 and H/4 (HSC/27 - Report)

NC0468E1 (HSC/28)

NC0510E2 , Annex G/7 (HSC/28 – Report)

I. BACKGROUND

1. During the examination of the classification of certain multifunctional digital copiers at the last session, the Committee agreed to consider the classification of the **Xerox Document Centre 230 DC** at its 30th Session, together with the other multifunctional digital copier models which were the subject of various reservations. The Committee also agreed not to continue with the examination of the classification of the **Océ 3133** since it was no longer manufactured.
2. The Committee heard from a number of delegates on the issue of the principle of how to deal with the classification of products which were no longer being manufactured but were still the subject of some international trade, as was the case with the **Xerox Document Centre 230 DC** (see Doc. NC0468E1). It agreed to continue its discussion of this issue at its next session on the basis of a document to be prepared by the Secretariat.

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II. SECRETARIAT COMMENTS

3. With the exception of the Xerox Document Centre 230DC, the Committee has followed its established practice not to examine the classification of a product that was no longer being manufactured. An additional recent example in this regard was that, at its 27th Session (May 2001), the Committee agreed that the classification of the "HP OfficeJet Pro 1175C" be dropped from the Agenda since it was no longer manufactured. Another example was that, at the same session, the Committee decided not to pursue the classification of "Kellogg's Breadia" waffles in view of the fact that this product was no longer manufactured. As a replacement for this classification issue, the Committee agreed to classify a comparable waffle product ("Kellogg's Eggo Frozen Waffles"), which was still manufactured, at its next session.
4. In view of the decision to examine the classification of the Xerox Document Centre 230 DC, the issue was raised as to how to deal with the classification of products which were no longer being manufactured but were still the subject of some international trade. The Secretariat believes that the Committee needs to consider its policy with regard to this issue to ensure consistency in its future examination of classification questions. In this connection, the Secretariat has the following views :
 - (1) For the benefit of efficiency, priority of the Committee should be given to the examination of the classification of products that are still manufactured and traded. Once the Committee decides to examine the classification of such a product, it should come to a conclusion with regard to the question, even if the product ceases to be manufactured prior to the conclusion of the Committee's deliberations.
 - (2) If, however, at the beginning of its deliberations on the classification of a product the Committee is made aware of the fact that the product in question is no longer manufactured but still traded, the Secretariat is of the view that, as a matter of principle, the Committee should not examine the issue. If the examination of such products would set a valuable precedent for the classification of similar products that are still manufactured, best efforts should be made to base the Committee's examination on a substitute product that is still manufactured, as was the case with the waffle product. If that is not possible, the classification of the product in question should only be taken up by the Committee as an exceptional case, if there is unanimous agreement to do so in the Committee.
 - (3) Finally, if at the beginning of its deliberations on the classification of a product the Committee is made aware of the fact that the product in question is no longer manufactured nor traded, the Committee should not examine the issue.

III. CONCLUSION

5. The Committee is invited to rule on this issue, taking into account the Secretariat comments above.
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