



HARMONIZED SYSTEM
COMMITTEE
-
24th Session
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NC0148E1
(+ Annexes I to III)
O. Fr.
H9-3

Brussels, 30 September 1999.

CLASSIFICATION OF CERTAIN SPECIAL TEXTILE YARNS

(Item VIII.24 on Agenda)

I. DESCRIPTION

1. On 3 February 1999, the Japanese Administration wrote to the Secretariat asking it to submit to the Harmonized System Committee the question of the classification of certain special yarns of textile material having the characteristics of chenille yarn.
2. In response to the Secretariat's reply of 8 April 1999, the Japanese Administration wrote on 6 August to confirm its wish that the classification of the yarn described below be examined by the HSC and also suggested that it would be worthwhile for the Secretariat to make a study with a view to updating the Explanatory Note to heading 56.06 in regard to chenille yarn (Part B of the Note) and loop wale-yarn (Part C of the Note). Relevant extracts from this correspondence are reproduced at Annexes I to III to this document.

Yarn having a hairy appearance along its entire length, made directly by cutting at the centre, up the weft, fabrics made on a special Raschel loom and consisting of two "wales" forming two chains of loops linked up wale-wise by another thread, the latter forming the tufts after cutting (see Fig. 1 and examples A, B and C at Annex I).

Yarn having a hairy appearance along its entire length and consisting of a chain of loops in the direction of the warp, with additional warp threads (cut after manufacture to form the tufts), made on a special circular knitting machine (see Fig. 2 and examples D, E and F at Annex I).

These yarns are put up in balls of 50 grams for sale by retail and are used for handicraft work such as hand knitting.

3. Samples of the various articles concerned can be examined by delegates in the meeting room.

File No. 2783

II. CLASSIFICATION

Comments by the Japanese Administration

4. The Japanese Administration first of all indicates that these yarn products are potentially classifiable in heading 56.06 as chenille yarn or in heading 56.07 which covers twine, cordage and ropes.
5. Referring to the definition of the term "chenille" in Webster's dictionary and to the Explanatory Note to heading 56.06, Part B, the Japanese Administration takes the view that all yarns having a hairy appearance should be regarded as chenille yarns whatever their method of manufacture. Heading 56.06 would therefore be appropriate for yarns at issue, even though they are not manufactured by one of the methods described in the Explanatory Note (the Japanese Administration's arguments are given in full in Annex I).

Secretariat comments

6. The Secretariat feels that heading 56.07 "Twine, cordage and ropes" mentioned by Japan cannot apply to the yarns at issue, because it covers (1) some braided products and (2) **single, multiple (folded) or cabled** yarns meeting the conditions of Note 3 (A) to Section XI, thereby excluding, de facto the special yarns of the types at issue (see also Note 3 (B) to Section XI and also the Explanatory Notes – Section XI, General, Table I, page 781 and Explanatory Note 56.07, exclusions, page 857).
7. The Secretariat agrees with Japan that the Explanatory Note to heading 56.06, Part B, is not exhaustive as regards method of manufacture. The Secretariat points out that the term "generally" in the first paragraph thereof (page 856) was added following a decision by the CCC Nomenclature Committee to classify in the heading covering chenille yarn (HS heading 56.06) a similar yarn obtained by flocking, now described in the second paragraph thereof.
8. The Committee's decision was based on the fact that this flocked yarn resulted from new technology for making such yarn and that the manufacturing process described in the Explanatory Note was probably the only one known at the time of writing the initial Note, which dates from 1955. Moreover, the Committee had approved the Secretariat's view that the expression "chenille yarn" was used more in relation to the characteristic appearance of the yarn rather than to a specific manufacturing process.
9. The Secretariat feels that the reasoning which prevailed for the classification of flocked yarn (yarn having the same characteristics as "conventional" chenille yarn) in heading 56.06 can be regarded as valid for the yarn at issue, and the Secretariat accordingly shares the Japanese Administration's view that these yarns are to be regarded as chenille yarn classifiable in heading 56.06 by application of General Interpretative Rule 1.
10. The Secretariat also draws attention to the fact that these are articles manufactured on knitting machines and that classification in Chapter 60, in particular heading 60.01, could also be envisaged. However, when examining the classification of loop wale-yarn the Committee decided that these yarns should not be regarded as "knitted **fabric**" of Chapter 60 because of their yarn-like form and also because they did not as such constitute "ornamental trimmings" within the meaning of heading 58.08. The Secretariat takes the view

that these two headings should also be ruled out in the present case, and for the same reasons.

III. AMENDMENT OF THE EXPLANATORY NOTE TO HEADING 56.06

11. The Japanese Administration feels that the present Explanatory Note to heading 56.06 (Part B) (first adopted in 1955 and amended in 1967 to take account of the existence of chenille yarn obtained by flocking) may not reflect recent technology in the manufacture of chenille yarn. It therefore suggests that the Secretariat consult industry and Contracting Parties with a view to updating this Explanatory Note.
12. The Japanese Administration also mentions having faced difficulties in the interpretation of the term "loop wale-yarn" which occurs in the last part of the text of heading 56.06 and is described in Part C of the Explanatory Note to that heading (the Japanese Administration does not ask the Committee for a decision on the classification of this yarn, represented by type H in Annex I).
13. In this regard, the Japanese Administration draws attention to the fact that the English version of the Explanatory Note seems to require that loop wale-yarn be in **tubular** form, which seems to be more restrictive than the definition given in the encyclopaedias ("chain of loops linked in the direction of the length of the fabric").
14. The Secretariat can agree to the Japanese Administration's proposals that an overall study be made with a view to updating the Explanatory Note to heading 56.06 (Parts B and C) but leaves it to the Committee to decide.

IV. CONCLUSIONS

15. The Committee is requested to decide on the classification of the textile yarns described in paragraph 2 above, taking account of the comments and information provided by Japan (in particular Annex I hereto) and the Secretariat's comments in paragraphs 6 to 10 above.
16. The Committee is also invited to decide on the advisability of undertaking a study with a view to modernizing the Explanatory Note to heading 56.06, as proposed by the Japanese Administration.

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Letter of 3 February 1999 from the Japanese Administration

"We are facing difficulty in the classification of the products mentioned in the attached paper, which can be divided into two groups and are potentially classifiable in heading 56.06 or 56.07.

We should also be grateful if we could have the Secretariat's opinion on classification of sample H in Annex 3 to this letter, so as to enable the Japanese Administration to issue advance classification rulings in this regard.

We would like to have the views of the HS Committee concerning the other products.

We would therefore appreciate it if you could put this question on the Agenda for the coming HS Committee meeting.

Thank you in advance for your kind co-operation. Yours sincerely,"

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ANNEX I

CLASSIFICATION OF CERTAIN CHENILLE YARNS AND LOOP WALE-YARNS

1. The above-mentioned products are divided into three types according to their manufacturing method. The first type of yarn, which is made on a special Raschel machine, is manufactured directly by cutting up at the centre special fabrics which consist of two wales in a construction of a chain of loops linked wale-wise by another thread (please refer to fig. 1 in Annex II and samples A to C in Annex III).

The second type of yarn consists of a chain of loops in the direction of the warp with additional warp threads made on a special circular knitting machine (please refer to fig. 2 in Annex 2 and samples D to G in Annex III).

These articles (samples A to G) look like yarn tufted with pile threads throughout its length. Therefore they are similar to chenille yarn, as may be seen in Annex III.

The third type of yarn consists of a chain of loops in the direction of the warp which does not have pile threads throughout its length, and is made on a circular knitting machine (please refer to sample H in Annex III).

All these articles are put up in balls of 50 g for retail sale and are intended for handicraft work such as hand knitting.

2. Item (B) of the Explanatory Note to heading 56.06 states that "chenille yarn consists generally of two or more strands of textile yarn twisted together and gripping short ends It is usually manufactured directly on special looms or by cutting up special leno fabric ..."

We consider that the production methods for chenille yarn are not limited to those mentioned in the Explanatory Note. For even if the above-mentioned products are obtained by different methods to those described in the Explanatory Note to heading 56.06, they nevertheless look like yarn tufted with pile threads throughout its length.

3. According to the Webster's Dictionary, the term "chenille" is of French origin and means "caterpillar", so called from the appearance of the yarn. The Explanatory Note to heading 56.06 says in fact in Part B that "chenille yarn looks like yarn tufted with pile threads throughout its length".

This point is helpful for determining the scope of the term "chenille yarn"; thus all yarns having a hairy appearance should be regarded as chenille yarns. Accordingly, the first and second type of yarn should be classified in heading 56.06, whatever their method of manufacture.

4. On the other hand, the third type of yarn does not have pile threads throughout its length. We consider that given its appearance this article is certainly not a chenille yarn.

We tried in vain to find the term "loop wale-yarn" in dictionaries and encyclopaedias. We suppose that this term is not a commercial commodity name. Interpreting the term "loop wale-yarn" in a literal sense, we feel it would consist of a chain of loops in the direction of a lengthways row (wale) of the fabric. Therefore, by application of General Interpretative Rule 1 this article would be classified in heading 56.06 as loop wale-yarn.

However, this article is not a tubular yarn as described in the Explanatory Note to heading 56.06, Part C. Consequently, this article cannot be regarded as loop wale-yarn. We are not certain as to whether this conclusion is correct, not having technical information regarding this description. The Japanese Administration would therefore like to ask the Secretariat to classify the definition of "loop wale-yarn".

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ANNEX 2

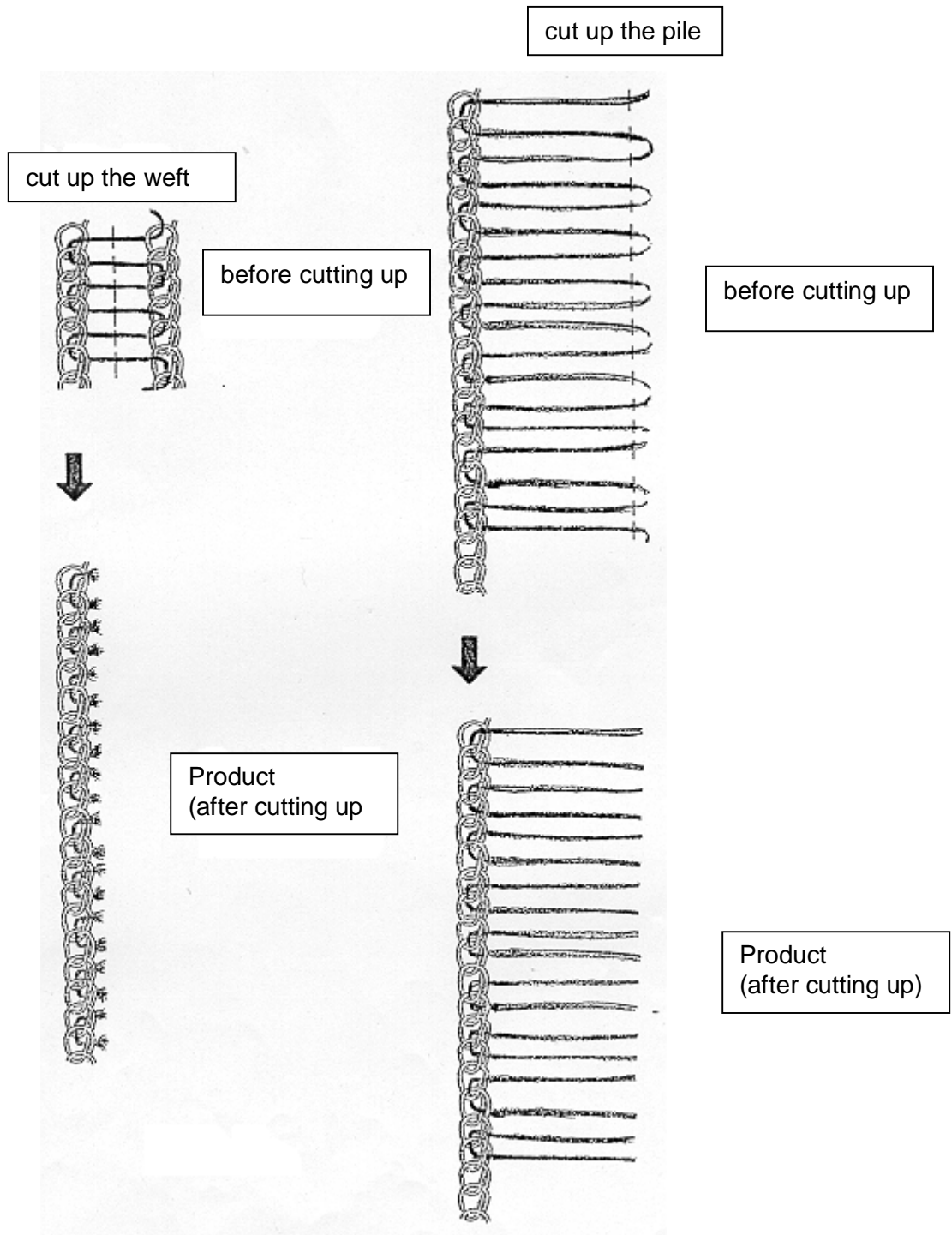



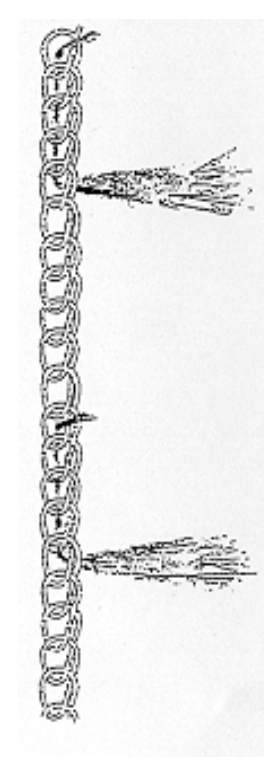
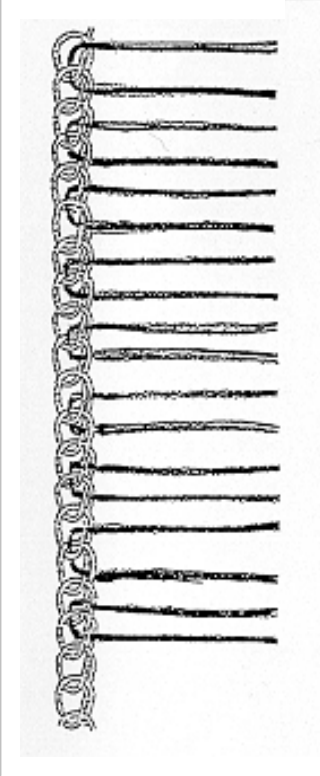
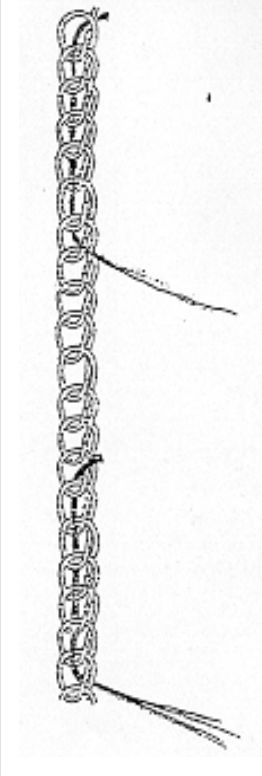




Fig. 1
First type of yarn

Fig. 2
Second type of yarn

OUTLINE OF CERTAIN CHENILLE YARN AND LOOP WALE-YARN SAMPLES

Sample	A	B	C	D	E	F	G	H
Structure								
Type of Yarn (please refer to)	First (Paragraph 2 of ANNEX)	First (Paragraph 2 of ANNEX)	First (Paragraph 2 of ANNEX)	Second (Paragraph 3 of ANNEX)	Second (Paragraph 3 of ANNEX)	Second (Paragraph 3 of ANNEX)	Second (Paragraph 3 of ANNEX)	Third (Paragraph 4 of ANNEX)
Manufacturing Machine	Special Raschel machine	Special Raschel machine	Special Raschel machine	Special circular knitting machine	Special circular knitting machine	Special circular knitting machine	Special circular knitting machine	Special circular knitting machine

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Extract from the Secretariat's reply of 8 April 1999

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Classification

At issue is whether or not these yarns can be considered as chenille yarn (Nos. 1 & 2) and loop wale-yarn (No. 3) within the meaning of heading 56.06 or whether they fall in another HS heading, in particular 56.07 which covers twine, cordage and ropes.

Chenille yarn

The process for obtaining yarn described under 1 and 2 above differs significantly from that in the Explanatory Note to heading 56.06, page 856, Part B. However, as you rightly point out in your letter, the Explanatory Note cited is not exhaustive with regard to the production method (use of the word "generally").

It is worth looking at the history of this Explanatory Note so as to better understand its scope.

The term "generally" was added to this Explanatory Note following a decision by the CCC's Nomenclature Committee to classify in heading 58.07 (HS heading 56.06) chenille yarn obtained by flocking ("flock chenille yarn"), which is described in the second paragraph of the Explanatory Note cited (Annex D to Doc. 13.810 – NC/17/Nov.66). This decision was based on the fact that this flocked yarn resulted from new technology for making such yarn and that the manufacturing process described in the Explanatory Note was probably the only one known at the time of writing the initial Explanatory Note (which dates from 1955). Moreover, the Committee had approved the Secretariat's view that the expression "chenille yarn" was used more in relation to the characteristic appearance of the yarn rather than to a specific manufacturing process.

It is also notable that the Committee thought it useful to amend the English version of the wording of heading 58.07 (HS heading 56.06) by inserting the phrase ("including flock chenille yarn") in order to make the classification legally sound.

Given that the reasoning which prevailed for the classification of flocked yarn (yarn having the same characteristics as "conventional" chenille yarn) can be regarded as valid for the samples at issue the Secretariat shares your Administration's view that yarn of types 1 and 2 is chenille yarn classifiable in heading 56.06, by application of General Interpretative Rule (GIR) 1, irrespective of the process.

Loop wale-yarn

When drafting the HS it was decided to mention loop wale-yarn in the text of heading 56.06 (which covers special yarns) because of its yarnlike appearance whereas in the CCCN such yarns were assigned by a classification decision to heading 60.01 as knitted fabric, on the basis of their mode of manufacture (on a knitting machine).

The present Explanatory Note uses the text of the Classification Opinion adopted for heading 60.01 of the CCCN (Annex F to Doc. 14.300 – NC/18/April 67). Taking into account the date when this was drafted, and the fact that it related to a very specific product, the Secretariat also feels that the Explanatory Note to heading 56.06, Part C must not be interpreted in a restricted way so as to limit the scope of the expression "loop wale-yarn" to the products described in the said Explanatory Note. Moreover, the Explanatory Note refers only to a circular knitting machine, which does not necessarily mean that the yarn is in tubular form.

Consequently, the Secretariat would classify yarn No. 3 in heading 56.06 as loop wale-yarn, by application of GIR 1.

On the other hand, to date, the Secretariat has not been able to find any recent and precise information (definition) referring to the appearance and current manufacture of such loop wale-yarn. According to the Larousse Encyclopaedia the term "chainette" implies a series of loops linked to each other like the links of a chain.

As for the classification of these products, the following considerations should also be borne in mind.

When the above-mentioned questions were examined, headings 56.06, 58.08, 60.01 and 60.02 (HS headings corresponding to the CCCN headings concerned) were taken into consideration for the classification of the products at issue. The Committee decided that the yarns examined were to be considered as special yarns and did not constitute "ornamental trimmings and the like" (though sometimes used for making ornaments for clothing) nor "knitted fabric" (because they have the form of yarn).

Heading 56.07 "Twine, cordage and ropes", mentioned as an alternative in your letter, can hardly be applied to the yarn at issue, because it covers :

- (a) Some braided products
- (b) Single, multiple (folded) or cabled yarns meeting the conditions of Note 3 (A) to Section XI. *Special* yarns are in principle excluded from this heading by Note 3 (B) to that Section.

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Fax from the Japanese Administration dated 6 August 1999

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Please refer to my letters dated 3 February 1999 and 10 May 1999 and your letter 99NL262 - Bo/Gon of dated 8 April 1999 concerning the classification of certain yarns.

As we have still been facing difficulties in the classification of samples A to G in my letter dated 3 February 1999 (i.e., Items 1 and 2 in your letter mentioned above)*, we would appreciate it very much if you could put this question (the part relating to chenille yarn only) on the Agenda for the Harmonized System Committee's next Session in October 1999.

Since the present text of the Explanatory Note to heading 56.06 has not been updated more than twenty years, it would seem to be worthwhile that the Secretariat would consult industries and other Member countries with a view to studying the possible amendments of the Explanatory Notes to reflect the recent technology for making such yarns as mentioned in your letter.

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* The yarns described in the box in paragraph 2 of the present document.
