



HARMONIZED SYSTEM
COMMITTEE

-
28th Session
-

NC0495E1

O. Eng.

Brussels, 18 September 2001.

CLASSIFICATION OF FLOORING PANELS

(Item VIII.19 on Agenda)

Reference documents :

40.475 (HSC/18)	41.464 (HSC/20)
40.600, Annex IJ/12 (HSC/18 - Report)	41.559 (HSC/20)
40.887 (HSC/19)	41.590, Annex A/XI (HSC/20)
41.100, Annex F/4 (HSC/19 - Report)	41.600, Annexes E/11 and IJ/14 (HSC/20 – Report)
41.286 (HSC/20)	

I. BACKGROUND

1. On 10 May 2001, the Secretariat received a letter from the Indonesian Customs Administration, concerning the classification of certain flooring panels, reading as follows :

“Regarding the classification of flooring panels requested by Indonesia in the 18th and 19th HSC Meetings (November 1996 and April 1997), we are fully aware of the fact that the WCO has already decided that the concerned parquet panel is classified into HS 44.12. However, we would like to explain once more that the panel is made of wood blocks which are glued together and then sliced into veneers. Finally these veneers are glued onto the top of prepared wood base and assembled into finished parquet panels. We still believe that the process of making such a panel is not yet described clearly in the Explanatory Notes to heading 44.18.

Moreover, we would like to emphasize once more that the product is *designed solely and principally to be used as parquet panels* as mentioned in heading 44.18. Therefore, we are of the opinion that this product should be classified in HS heading 44.18.

(. . .) we would be very grateful if you could bring this matter back to the Harmonized System Committee for reconsideration.”

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2. On 6 June the Secretariat replied as follows :

“As requested, I have made the necessary arrangements to place the classification of the flooring panels as described in your above-referenced letter, on the agenda of the 28th Session of the Harmonized System Committee in November 2001.

The following description of the flooring panels was given in Doc. 40.475 (HSC/18) (paragraph 4) :

“(. . .) the products in question appear to be panels (approx. 30 cm in width and 180 cm in length) consisting of sheets of plywood (8 to 12 mm thickness), with a thin veneer of wood (sliced from blocks of wood laminated together) affixed to the surface, so as to simulate a flooring panel made up of parquet strips. The surfaces of the panels have been sanded, coloured and stained and then lacquered and some have been surface worked by lengthwise grooving. The panels are tongued at each end and grooved along both sides.”

In order to describe the product at issue in the appropriate way, you are kindly invited to indicate whether the above description is still accurate. You are also invited to put forward your arguments in favour of classifying the panels in heading 44.18 rather than heading 44.12, and to indicate what amendments should be made to the Explanatory Notes to clarify their classification.”

3. On 5 September the Secretariat received the following note from the Indonesian Customs Administration :

“(. . .) we would like to submit Indonesia’s position on the issue, as follows :

1. The parquet flooring at issue is somewhat unique in terms of processing. The making of such a panel is as follows :
 - Wood blocks are glued together into slabs and then sliced into veneers (of a minimum thickness of 3 mm);
 - The veneer is glued onto the top of prepared plywood (already cut into rectangular shape, approximately ¼ of normal plywood);
 - The panels are grooved and tongued in order to be ready for assembling into finished panels;
 - The diagram of processing and samples are provided¹⁾.
2. The flooring panels are solely and principally used as parquet panels. There is no more major processing except assembling those panels into ready-to-use parquet floorings.
3. The difference of these panels from the ordinary parquet panels is on the making of the top veneers. These veneers are made of wood blocks. This is a relatively new process to make parquet floorings.
4. Since the process of the panels at issue is not yet clearly described in the Explanatory Note to heading 44.18, we would, therefore, like to propose amendments to the Explanatory Notes to headings 44.12 and 44.18, concerning the paragraphs related to parquet floorings. Our proposals would be as follows :
 - Explanatory Note to heading 44.12, page 682²⁾ :

¹⁾ Secretariat note : See the Annex to Doc. 40.475.

²⁾ Secretariat note : Page numbering according to the HS 1996 edition.

- The existing note : *The heading also covers plywood panels or veneered panels, used as flooring panels, and sometimes referred to as “parquet flooring”. These panels have a thin veneer of wood affixed to the surface, so as to simulate a flooring panel made up of parquet strips.*
 - The proposed amendment (exclusion note) : *The heading, however, does not cover veneered panels which have a thin veneer made of sliced wood block affixed to the surface, to be used solely and principally as parquet panels.*
- Explanatory Note to heading 44.18, page 687³⁾ :
 - The existing note (exclusion note) : *(a) Plywood panels or veneered panels, used as flooring panels, which have a thin veneer of wood affixed to the surface, so as to simulate a flooring panel made up of parquet strips (heading 44.12).*
 - The proposed amendment : *Veneered panels which have a thin veneer made of sliced wood block affixed to the surface, to be used solely and principally as parquet panels, remain classified in this heading.”*

II. SECRETARIAT COMMENTS

4. The Secretariat would like to point out first that the issue of the classification of the flooring panels as referred to in the submission of the Indonesian Customs Administration, was discussed by the Committee at its 18th Session (November 1996). At that session, the Committee concluded that the panels were to be classified in heading 44.12, for the reasons given in paragraphs 5 and 6 of Doc. 40.475⁴⁾. As a result of this, the Committee, at its 20th Session (November 1997), approved amendments to the Explanatory Notes to heading 44.12 and 44.18 (i.e., the paragraphs referred to in paragraph 3, point 4, above).
5. The product discussed and classified by the Committee, and subject of the new Indonesian submission, was described as follows :

Panels (approx. 30 cm in width and 180 cm in length) consisting of sheets of plywood (8 to 12 mm thickness), with a thin veneer of wood (sliced from blocks of wood laminated together) affixed to the surface, so as to simulate a flooring panel made up of parquet strips. The surfaces of the panels have been sanded, coloured and stained and then lacquered and some have been surface worked by lengthwise grooving. The panels are tongued at each end and grooved along both sides.

6. With respect to the situation as from 1 January 2002, the Secretariat would like to point out that no legal amendments were made with respect to headings 44.12 and 44.18. However, in the HS 2002 edition sheets obtained by slicing laminated wood are mentioned as “sheets for veneering”, covered by heading 44.08.

³⁾ Secretariat note : Page numbering according to the HS 1996 edition.

⁴⁾ These paragraphs read as follows :

“5. In view of the fact that the products are not parquet strips (as described in the Explanatory Notes to heading 44.09, second paragraph on page 678) which have been assembled into panels, the Secretariat considers that they are not classifiable in subheading 4418.30 even though they are described by the manufacturer as parquet flooring. The panels also do not fit the descriptions of builders’ joinery and carpentry or cellular wood panels and, therefore, classification in the residual subheading 4818.90 seems to be ruled out.

6. As the processes to which these panels have been subjected (surface-working and tonguing and grooving) are allowable for products of heading 44.12, the Secretariat considers that they should be classified in that heading as veneered panels of plywood by application of GIR 1.”

7. Having said this, the Secretariat must leave it to the Committee to decide on the classification of the panels, and suggests possible amendments to the Explanatory Notes being considered on the basis of the outcome of these discussions.

III. CONCLUSION

8. The Committee is invited to consider the classification of flooring panels of wood as described in paragraph 5 above, taking into account the comments supplied by the Indonesian Customs Administration in paragraphs 1 and 3 above, and the comments of the Secretariat in paragraphs 4 to 7 above.
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