



HARMONIZED SYSTEM
COMMITTEE

-
25th Session

NC0182E1
(+ Annex)
O. Eng./Fr.

Brussels, 2 March 2000.

MATTERS FOR DECISION BY THE HARMONIZED SYSTEM COMMITTEE

(Item VI.3 on Agenda)

Reference documents :

NR0072E2 (RSC/20 – Report)
NC0104E1 (HSC/24)
NC0160E2, Annex E (HSC/24 – Report)
NR0101E2 (RSC/21 – Report)

1. At its 20th Session (September 1999), the Review Sub-Committee examined the draft amendments to the Explanatory Notes to the Harmonized System, arising out of the amendments to the legal texts by application of the Recommendation of 25 June 1999 adopted under the procedure laid down in Article 16 of the HS Convention.
2. At its 24th Session (October 1999), the Harmonized System Committee undertook a preliminary examination of the Report of the RSC's 20th Session but decided not to provisionally adopt the amendments to the Explanatory Notes proposed by the Sub-Committee, given that the latter had not completed examining certain questions and that the Contracting Parties had not had enough time for a thorough review of the results of the Sub-Committee's work. The Committee therefore agreed that, at its 25th Session, it would examine the results of the RSC's 20th and 21st Sessions on the basis of a summary document to be prepared by the Secretariat.
3. At its 21st Session (February 2000), the Review Sub-Committee continued its examination of the outstanding questions and looked at several new questions arising out of the amendments to the HS Nomenclature made under the Article 16 procedure.
4. With regard to the method for provisionally adopting the conclusions of the two sessions of the Review Sub-Committee, the Secretariat considers that the easiest procedure for the Committee would be to work in two stages. It therefore invites the Harmonized System Committee to adopt the following approach :

File No. 2152

- 4.1 Examine the conclusions of the RSC's **21st Session** summarized below together with a reference to the corresponding Annexes of the RSC Report (**Doc. NR0101E2**). This document also deals with the decisions already taken by the Committee at its **24th Session (Annex E to Doc. NC0160E2)** as well as the amendments resulting from the objection entered by the United States to certain HS amendments recommended by the Council by application of Article 16 of the Convention.
 - 4.2 Adopt the texts approved by the Review Sub-Committee at its **20th Session**, which were not subsequently amended. These texts are to be found in the Annexes to the Report of the 20th Session (**NR0072E2**) and the RSC's conclusions are summarized in **Doc. NC0104E1 – HSC/24**. To facilitate the Committee's work, the Secretariat has prepared and appended hereto the list of texts in Doc. NR0072E2 which were subsequently replaced, amended or deleted. The Committee is therefore invited to take account of the comments in the Annex hereto when it examines the conclusions of the RSC's 20th Session.
5. The Secretariat draws the Committee's attention to the fact that this document also summarizes the conclusions of the Review Sub-Committee and, where applicable, of the Harmonized System Committee regarding certain general questions discussed during the sessions concerned.

GENERAL QUESTIONS

Adoption procedure for the proposed amendments to the Explanatory Notes

6. **The Committee is invited to note that this question is dealt with under Agenda Item III.4 for this session.**

Scope of the Third Harmonized System Review Cycle

7. At its 24th Session, the Committee reached the following conclusions regarding this question :
- In future, a five-year review cycle, as proposed by the RSC, would be appropriate, meaning that the next Recommendation would in principle come into effect as from 1 January 2007;
 - Items not adopted during the second review cycle because they had been rejected or postponed could be taken up **if they were supported by an administration**;
 - It was premature to discuss amendments to the HS with a view to facilitating the application of the Harmonized Rules of Origin;
 - A general review of the HS would be appropriate in addition to the review of specific sectors (**Doc. NC0160E2, Annex E, paragraphs 3 to 7**)
8. The Sub-Committee also agreed that simplification of the HS structure might be feasible in the pharmaceuticals, information technology and textile sectors (possibly in other sectors proposed by administrations) and that proposals in this connection were to be presented in the new review cycle (**Doc. NR0072E2, Annex B, paragraph 7**).

9. **The Committee is invited to take note of the various decisions above.**

Increasing the threshold for the creation or deletion of subheadings

10. The Sub-Committee noted the statement by the Observer for the UNSD that the data provided by that Organization was based solely on statistics submitted officially by the national authorities and was therefore incomplete.

11. The Sub-Committee supported the UNSD's proposal to provide more complete statistics, based not only on import figures provided by national authorities, but also on estimates calculated using precise methods, namely those using data of an adjacent year and those obtained using the export figures of one country to infer the imports of another.

12. Finally, the Sub-Committee agreed, in principle, to recommend that the Committee adopt the proposal to increase the threshold for the creation or deletion of subheadings from US \$20 million to US \$50 million, subject to the understanding that all rules regarding exceptions would continue to apply (**Doc. NR0101E2, Annex D/1**).

13. **The Committee is invited to rule on the conclusions of the Review Sub-Committee regarding (1) taking account of data partly based on estimates, and (2) increasing the threshold for the creation or deletion of subheadings.**

Updating of the current Explanatory Notes

14. The Sub-Committee decided to recommend to the Harmonized System Committee that a full-scale revision of the Explanatory Notes should be undertaken and agreed, in this connection, to make the following suggestions to the Committee :

- The initial drafting should be undertaken by the Secretariat;
- Sufficient additional resources (i.e., Technical Attachés) to carry out the work should be assigned to the Secretariat;
- The timing of this revision should not be tied to the schedule of the Third HS Review Cycle;
- Restructuring on the basis of the subheading structure should be examined on a case-by-case basis.

15. The Sub-Committee also agreed to request the Harmonized System Committee to make a suitable recommendation to the Council in this regard (**Doc. NR0101E2, Annex D/2**).

16. **The Committee is invited to rule on the conclusions reached by the Review Sub-Committee regarding the updating of the current Explanatory Notes.**

Objections to the HS amendments set out in the Council Recommendation of 25 June 1999

17. The Sub-Committee took note of the objections entered with regard to certain recommended amendments by the US Administration and of their implications for the work relating to the amendment of the Explanatory Notes consequential thereon (**Doc. NR0101E2, Annex D/3**).

18. By way of reminder, the Secretariat proposes making the following amendments to the texts already approved by the Sub-Committee (Annex D/16 to Doc. NR0072E2 (RSC/20 - Report)) :

Page D/16/16.

- Delete item 3;
- Items 4 and 5 become 3 and 4, respectively;
- In the current item 4 (renumbered 3), delete "Note 3" and substitute "Note 2" in the heading and delete "3.-" and substitute "2.-" at the start of the text.

Page D/16/21.

- Delete the texts relating to page 1486 (reference to that page and items 1 and 2);
- Delete the text relating to page 1487, heading 85.24, first paragraph, Item (9). The Secretariat recalls that the purpose of this amendment was to describe the characteristics of digital audio discs (paragraph 5 of Annex A/8 to Doc. 42.500 – RSC/18 - Report).

19. In addition, Item II.A.12 on the Agenda for the 21st Session of the Review Sub-Committee (new Subheading Explanatory Note on digital video discs), was deleted.

20. **The Committee is invited to provisionally adopt the draft amendments above and to note the deletion of the item on digital video discs.**

AMENDMENTS TO THE EXPLANATORY NOTES (Doc. NR0101E2)Annex B/1 and Annex E/1Heading 07.09 (B/1, paragraphs 1 to 4)

21. The Sub-Committee agreed to amend the Explanatory Note to heading 07.09 as suggested by the United States, and to retain the Secretariat's alternative for the French version, subject to deleting "champignons de couche" and substituting "champignons de Paris".
22. **The Committee is invited to provisionally adopt the amendments set out in Annex E/1 (page 1) to Doc. NR0101B2.**

Heading 29.33 (B/1, paragraphs 5 and 6)

23. The Sub-Committee approved, without modification, the draft amendments to the Subheading Explanatory Notes at the end of the Explanatory Note to heading 29.33.
24. **The Committee is invited to provisionally adopt the amendments set out in Annex E/1 (page 1) to Doc. NR0101B2.**

Headings 33.07, 34.01 and 34.02 (B/1, paragraphs 7 to 9)

25. The Sub-Committee agreed that the expression "which may contain soap in any proportion" was not likely to pose any interpretation problems and therefore decided to retain it in the draft amendments.
26. It was also agreed to insert a sentence in the texts chosen for headings 33.07 and 34.01 clarifying the classification of these preparations when not put up for retail sale (heading 34.02).
27. **The Committee is invited to provisionally adopt the amendments set out in Annex E/1 (pages 1 and 2) to Doc. NR0101B2.**

Heading 35.06 (B/1, paragraph 10)

28. The Sub-Committee noted that the Committee's decision at its 24th Session to align the French version of the draft amendment to exclusion (b) of the Explanatory Note to heading 35.06 on the English version (deleting the reference to heading 40.05 and substituting a reference to Chapter 40) would be made directly by the Secretariat in the relevant Annex of the draft Report of the Committee's 25th Session.
29. By way of reminder, the amended text reads as follows (French version only) :

"Page 534a. N° 35.06 Exclusion b). Deuxième à quatre lignes.

Nouvelle rédaction :

“la dextrine (n° 35.05), les dispersions ou les solutions de polymères des n°s 39.01 à 39.13 (**Chapitre 39** ou n° 32.08) et les dispersions ou les solutions de caoutchouc (**Chapitre 40**), ces produits étant susceptibles d’être utilisés comme colles ou autres adhésifs soit en état, soit après transformation.”

30. **The Committee is invited to take note of this information.**

Heading 40.10 (B/1, paragraphs 11 to 14)

31. The Sub-Committee agreed to submit to the Committee, for decision, two proposals in square brackets, namely (1) the Secretariat text presented as the second variant in the working document (Doc. NR0074B1) and (2) the counter-proposal made by the United States during the meeting. In the Secretariat’s text, the terms “and possibly also transversally” were maintained in square brackets to enable Contracting Parties to ascertain whether transversally ribbed V-belts existed.

32. **The Committee is invited to rule on the variant to be retained in Annex E/1 (page 2) to Doc. NR0101B2 and, if the Secretariat’s variant is adopted, on whether to maintain or delete the terms in square brackets.**

Heading 41.12 (B/1, paragraph 15)

33. The Sub-Committee agreed to examine this matter as part of an overall study of the amendments to be made to the Explanatory Notes to Chapter 41. This question is dealt with under Agenda item VI.5 for this session.

34. **The Committee is invited to note that this question is dealt with in conjunction with the above-mentioned item.**

Headings 51.02, 51.05 and 61.10 (B/1, paragraphs 16 to 19)

35. The Sub-Committee agreed to retain, as the basic text, the Secretariat’s proposal in the Annex to Doc. NR0074E1, feeling that Canada’s text would require very exhaustive analytical controls by Customs administrations.

36. It was then agreed to create Subheading Explanatory Notes in the relevant headings rather than to insert a paragraph in the General Notes to Chapter 51. It was agreed to maintain the last sentence of the text proposed for subheading 5102.11 and drafting changes were made to the English version of the same sentence.

37. **The Committee is invited to provisionally adopt the amendments set out in Annex E/1 (pages 3 and 4) to Doc. NR0101B2.**

Heading 57.02 (B/1, paragraphs 20 and 21)

38. The Sub-Committee agreed with one delegate, according to whom the proposed amendment was not directly consequential upon the amendment to the legal text of heading 58.01 under the Article 16 procedure and this matter should be dealt with directly by the Committee, with the possible amendment to the Explanatory Note being made by corrigendum.

39. The Secretariat recalls that its proposal (deleting the reference to “tissus bouclés par la chaîne” in the French version of the Explanatory Note to heading 57.02) is intended solely to ensure consistency in the texts, as the legal text and the Explanatory Note to heading 58.01 mention only two categories of products, namely “velours et peluches tissés” and “tissus de chenille”.
40. **The Committee is invited to rule on the action to be taken in respect of the Secretariat’s proposal set out in paragraph 21 of Annex B/1 to Doc. NR0101E2.**
- Heading 84.14 (B/1, paragraphs 22 to 31)
41. The Sub-Committee agreed to submit to the Committee draft amendments to the Explanatory Note to heading 84.14 with a view to explicitly mentioning industrial blowers. The amendments consist of adding a reference to industrial blowers used in wind tunnels in the second paragraph of this Explanatory Note and deleting the reference to such use in the fourth paragraph. But given the doubts expressed by some delegates, especially regarding the procedure for adopting this amendment, the proposed text was placed in square brackets.
42. The Sub-Committee also approved the draft amendment to delete exclusion (d) of the same Explanatory Note and noted that the amendment to heading 84.67 (deletion of Item (21) of the draft) was dealt with in the Agenda item relating to the amendment of the Explanatory Note to that heading (Annexes C/1 and E/17 to Doc. NR0101E2).
43. The Secretariat recalls in this respect that, at its 24th Session, the Committee unanimously decided that the electric blowers currently classifiable in heading 85.08 would be transferred to heading 84.14 and agreed (1) to delete Item (21) in the Explanatory Note to heading 84.67 and exclusion (d) in the Explanatory Note to heading 84.14, and (2) that these apparatus should be mentioned in the Explanatory Note to heading 84.14.
44. At the RSC’s 21st Session, it was pointed out that industrial blowers for working in the hand, with a self-contained electric motor, had all but disappeared from the market but that there were other industrial blowers to be mentioned in the relevant Explanatory Note.
45. **The Committee is invited to (1) rule on the action to be taken regarding the proposal to mention industrial blowers in the Explanatory Note to heading 84.14, contained in square brackets in Annex E/1 (page 4) to Doc. NR0101B2, and, if the proposal is approved, to rule on the procedure (Article 16 or corrigendum) for adopting that amendment, (2) provisionally adopt the amendment to exclusion (d) of the same Explanatory Note set out on the same page of Annex E/1, and (3) note that the amendment to heading 84.67 is contained in Annex E/17 to Doc. NR0101B2.**
- Heading 84.15 (B/1, paragraphs 32 to 36)
46. With regard to the new seventh paragraph of this Explanatory Note, the Sub-Committee agreed to present to the Committee the Secretariat’s most detailed variant, given that it mentioned, in particular, the presence of a fan, an essential element in respect of the text of heading 84.15.
47. It also approved the draft amendment to exclusion (b) of this Explanatory Note.

48. **The Committee is invited to provisionally adopt the amendments set out in Annex E/1 (pages 4 and 5) to Doc. NR0101B2.**

Heading 85.14 (B/1, paragraph 37)

49. The Sub-Committee noted the decision taken by the Committee at its 24th Session to delete the expression “very-high-frequency” in the draft amendment to the Explanatory Note to this heading (Part (I), second paragraph, Item (D), page 1463).

50. The Secretariat points out in this respect that the text concerned is set out in Annex E/12 to Doc. NR0101E2 (question relating to the expression “dielectric hysteresis”, item entitled “Annex B/9 and Annex E/12” below).

51. **The Committee is invited to take note.**

Headings 85.42 and 85.43 (B/1, paragraph 38)

52. The Sub-Committee noted that the possible amendments to the Explanatory Notes to clarify the classification of “smart cards” were to be made by corrigendum.

53. **The Committee is invited to take note that this question is dealt with under Agenda item VIII.15 for this session.**

Chapter 90 (B/1, paragraphs 39 and 40)

54. The Sub-Committee approved, without modification, the Secretariat’s proposals to amend the General Explanatory Note to Chapter 90 and the Explanatory Note to heading 90.32, following the insertion of a new Note 6 in Chapter 90.

55. **The Committee is invited to provisionally adopt the amendments set out in Annex E/1 (page 5) to Doc. NR0101B2.**

Annex B/2 and annexes E/2, E/3, E/4, E/5 and F/1

Headings 12.05, 15.14 and 23.06 – Questions related to canola

56. **The Committee is invited to note that this matter is dealt with under the item “Annex B/3 and Annex E/7” below.**

Heading 29.15 – Question of alignment of Items (V) and (VI) of the Explanatory Note to this heading on the new wording of subheading 2915.60

57. Subject to the correction of a punctuation error, the Sub-Committee approved the texts submitted by the Scientific Sub-Committee.

58. **The Committee is invited to provisionally adopt the amendments set out in Annex E/2 to Doc. NR0101B2.**

List of narcotic drugs, etc., at the end of the Explanatory Notes to Chapter 29 – Question of amendments to be made to the HS codes given for the products

59. Subject to certain editorial amendments, the Sub-Committee approved the texts submitted by the Scientific Sub-Committee.
60. The Secretariat draws the Committee's attention to the fact that pages 447 to 454g of the Explanatory Notes are reproduced in their entirety and that the subheadings for which amendments are proposed have been underlined, given the large number of subheadings to be reworked. The underlining will be removed from the final version.

61. **The Committee is invited to provisionally adopt the amendments set out in Annex E/3 to Doc. NR0101B2.**

Chapter 39 – Question concerning polymer names

62. The Sub-Committee approved, without modification, the texts submitted by the Scientific Sub-Committee. In this connection, it should be noted that the text approved regarding the amendments to Classification Opinion 3907.20/1 is set out in Annex F/1 to the RSC's Report.

63. **The Committee is invited to provisionally adopt the amendments set out in Annex E/4 to Doc. NR0101B2.**

Heading 39.20 – Question of the amendment of the Explanatory Notes concerning subheadings 3920.43 and 3920.49

64. The Sub-Committee rejected a proposal to insert the term "plasticiser" before the term "extenders" in the first line of the third paragraph of the proposed Subheading Explanatory Note to subheadings 3920.43 and 3920.49 and approved the texts submitted by the Scientific Sub-Committee after a small editorial amendment.

65. **The Committee is invited to provisionally adopt the amendments set out in Annex E/5 to Doc. NR0101B2.**

Annex B/3 and Annex E/7.

66. It was agreed to insert the word "total" before "erucic acid" in the Explanatory Note to heading 12.05, as proposed by the Scientific Sub-Committee at its 15th Session (see Annex A/10 to Doc. NS0014E2).

67. The EC Delegate proposed to insert a reference to "European rape or colza "double zero (00)"" in the relevant Explanatory Notes since this expression was an official name assigned by the Community authorities. And entered in the "Common Catalogue of Varieties of Agricultural Plant Species".

68. Another delegate stated that this product was unknown to him. He therefore wanted more information to be provided by the EC before the HSC meeting in March.

69. It was also pointed out that the reference to *B. juncea* in the proposed Canadian text was questionable. *Brassica juncea* was referred to in the Explanatory Note to heading 15.14 as the Latin name for Indian mustard. Using the same Latin reference for rape or colza oil therefore seemed dubious.

70. It was therefore decided to place the references to *B. juncea*, canola and "European rape or colza "double zero"" in the relevant Explanatory Notes in square brackets, and leave it to the Harmonized System Committee to decide on the final texts.

71. **The Committee is invited to examine the texts reproduced in Annex E/7 to Doc. NR0101B2 and to decide on the texts in square brackets.**

Annex B/4 and Annex E/6

72. It was pointed out that the text as drafted by the Secretariat could be interpreted in such a way as to imply that it was possible to make a distinction between juices of different fruits on the basis of Brix value. Several delegates were of the view that Brix values were intended to distinguish concentrated juices from non-concentrated juices and not to identify concentrated juices of different fruits and therefore proposed to replace the word "identified" by "distinguished from non-concentrated juices".

73. The Sub-Committee agreed to the above-proposed changes to the draft text. However, since certain delegates wanted to examine the text further, the Sub-Committee agreed to place the text in square brackets and to submit it to the Harmonized System Committee for finalization at its next session.

74. **The Committee is invited to decide on the texts in square brackets in Annex E/6 to Doc. NR0101B2.**

Annex B/5 and Annex E/8

75. The Sub-Committee agreed with the Secretariat and Canadian views that the new Note 3 to Chapter 27 and the provisionally adopted new part "(II) WASTE OILS" of the Explanatory Note to heading 27.10 provide reasonable guidance for the classification of waste oils. Therefore, there was no need for a Subheading Explanatory Note regarding such oils.

76. However, the Secretariat proposal, drafted on the basis of a remark by the Canadian Administration for the alignment of the French version of item (1) of the aforementioned new part "(II) WASTE OILS" of the Explanatory Note to heading 27.10 was approved without modification.

77. **The Committee is invited to provisionally adopt the approved amendments set out in Annex E/8 to Doc. NR0101B2.**

Annex B/6

78. Noting that the part of the report of the Sub-Committee's 20th Session referring to this issue (Doc. NR0072E2, Annex C, paragraph 50) did not mention the name of the delegate who had raised this question, whereas the working document referred to his delegation, the EC Delegate clarified his administration's position that the purpose of this exercise should be the simplification of the Explanatory Notes, in particular, when a subheading was deleted because of low trade volume, as was the case with heading 46.01. He could, however, accept the status quo.
79. There being no support for the suggestion to amend the Explanatory Note to heading 46.01 because of the deletion of subheading 4601.10, the Sub-Committee decided not to pursue the proposal any further.
80. **The Committee is invited to take note.**

Annex B/7 and Annex E/11

81. Certain delegates suggested not to insert the term "general", but to insert a reference to heading 48.23 in the proposed text for the Explanatory Note to heading 48.17, since more and more paper now came in formats other than square or rectangular. The Sub-Committee agreed with this suggestion and approved the text thus modified.
82. With respect to the proposed amendments to the Explanatory Note to heading 48.23, the Sub-Committee agreed to retain present items (4) and (8) (renumbered (3) and (6), respectively), renumbered item (3) being adopted without modification. Following the suggestion of a delegate to insert exclusions for strip paper of headings 48.02, 48.10 and 48.11 in renumbered item (6), the Sub-Committee agreed to include the suggested exclusions, but to refer to them in the exclusion paragraph, at the end of the Explanatory Note.
83. **The Committee is invited to provisionally adopt the approved amendments set out in Annex E/11 to Doc. NR0101B2.**

Annex B/8 and Annex E/9

84. **The Committee is invited to note that this question is dealt with under Agenda item VI.4 for this session.**

Annex B/9 and Annex E/12

85. The Sub-Committee unanimously agreed that the term "hysteresis" should not be used in conjunction with "dielectric" and that the term "dielectric hysteresis" should be replaced by "dielectric loss" in the English version of the Explanatory Notes. It accordingly approved the amendments to the Explanatory Note to heading 85.14 set out in the working document.

86. **The Committee is invited to provisionally adopt the amendments set out in Annex E/12 to Doc. NR0101B2.**

Annex B/10 and Annex E/13

87. The Sub-Committee first agreed to use the Canadian text as the working basis for amending the Explanatory Note to heading 85.18 regarding microphones and speakers. It also agreed to add the phrase “designed to be” in the penultimate sentence, after “These sets are”.

88. With regard to the expression “which may be fitted together to form a whole”, the Sub-Committee agreed to delete “to form a whole”, given that this concept was used in another context (composite machines) and would be unduly restrictive, but to retain the expression “which may be fitted together”.

89. **The Committee is invited to provisionally adopt the amendments set out in Annex E/13 to Doc. NR0101B2.**

Annex B/11 and Annex E/14

90. The Sub-Committee unanimously approved the US draft text to amend the Explanatory Notes in respect of new Note 6 to Chapter 85, subject to amending it to make clear that media should be classified separately in their own appropriate heading, when the media and the other articles do not make up a set for retail sale, as a result of not meeting the terms of General Interpretative Rule 3 (b).

91. The Sub-Committee also agreed that the new text should become Part (B) and present Part (B) would become Part (C).

92. **The Committee is invited to provisionally adopt the amendments set out in Annex E/14 to Doc. NR0101B2.**

Annex B/12 and Annex E/15

93. In order to leave it for the Committee to select the appropriate variant to describe digital cameras in the Explanatory Note to heading 85.25, the Sub-Committee decided to place in square brackets, the following two proposals after making certain drafting changes :

- A new text presented by Poland during the meeting, replacing its initial proposal and inserting a new Part (E). One delegate suggested that this proposal should include a reference to the fact that digital cameras existed which also recorded images in the memory of an ADP machine.
- The US proposal to modify existing Parts (C) and (D) of the Explanatory Note.

94. **The Committee is invited to rule on the variant to be chosen from the proposals in square brackets in Annex E/15 to Doc. NR0101B2 and, if the Polish proposal is adopted, to decide whether it should be supplemented with the above reference.**

Annex B/13 and Annex E/16

95. Subject to the insertion of a reference to Note 6 to Chapter 90 in the introductory sentence of Part (I) of the Explanatory Note to heading 90.21 and certain drafting amendments made during the reading of the Report, the Sub-Committee approved the amendments to the Explanatory Note to heading 90.21 arising from the text of new Note 6 to Chapter 90.
96. **The Committee is invited to provisionally adopt the amendments set out in Annex E/16 to Doc. NR0101B2.**

Annex C/1 and Annex E/17

97. The Sub-Committee agreed to leave it to the Committee to decide whether to retain or delete exclusion (c) in the Explanatory Note to heading 84.67 relating to engines of heading 84.07, but decided that, if it were retained, a reference to electric motors of heading 85.01 should be inserted. The Sub-Committee also felt that the Committee should decide, in the event of deletion, on the procedure to be followed (corrigendum or Article 16) for the amendment. The above-mentioned exclusion (c), supplemented by a reference to motors of heading 85.01, was placed in square brackets.
98. The Sub-Committee further agreed to remove the square brackets from the word “vibrators” in Items (11) and (14), as these related to machines and not to the motors referred to as “vibrators”.
99. The Secretariat points out that (1) the classification of “vibrators” (motors referred to as “vibrators”) is the subject of Agenda Item VIII.13 for this session and that the term has therefore been placed in square brackets in the first paragraph and in Item (22) of the Explanatory Note to heading 84.67; and (2) Item (21) in the initial draft, relating to industrial blowers, has been deleted.
100. **The Committee is invited to :**
- **Rule on whether to retain or delete exclusion (c), supplemented by a reference to motors of heading 85.01 and, in the event of deletion, to decide on the procedure to be followed to make that amendment;**
 - **Provisionally adopt the amendments set out in Annex E/17 to Doc. NR0101B2;**
 - **Take note of the information concerning vibrators and industrial blowers.**

Annex C/2 and Annex E/18

101. The Sub-Committee agreed that it would be preferable to make this amendment relating to the insertion of a reference to “foetal monitors” in the Explanatory Note to heading 85.18 under the Article 8 procedure rather than the Article 16 procedure, given that it reflected a decision taken by the Harmonized System Committee at its 17th Session.

102. The Sub-Committee approved the proposed text, subject to aligning the English version on the French (deletion of the expression "foetal monitors") and to substituting the word "generally" for "normally". However, to permit the Canadian delegate to submit in writing the new proposal he had made orally during the meeting, the Sub-Committee decided to place the texts approved in square brackets.
103. The Secretariat received the following comments from Canada on 18 February 2000 :
104. "Our administration recommends that the text proposed by the Secretariat be expanded to provide more detail on the apparatus that is covered under heading 85.18. The proposed EN does not differentiate between the foetal monitors used by laypeople and those that would be used by professionals in medical, surgical dental or veterinary sciences. In order to avoid any difficulties in classifying this apparatus, our administration is of the opinion that a distinction should be made between these foetal monitors (FirstSounds) and other foetal monitor, i.e., those used by medical professionals which are classified under heading 90.18, "Other electro-diagnostic apparatus". This distinction should be emphasized in the EN to heading 85.18 and in an exclusion note to heading 90.18.
105. The EN to heading 85.18 could read :
106. "The heading also covers prenatal listening kits (foetal monitors) which normally consist of a microphone, headphone, a listening cone, on/off/volume control and battery compartment. This device is designed for non-medical use. Electronic diagnostic foetal monitors of a type designed for use by professionals in medical, surgical, dental or veterinary sciences are classified under heading 90.18."
107. The EN to heading 90.18 should have an exclusion note to indicate that non-medical foetal monitors are covered by heading 85.18 as follows :
108. "This heading also excludes :
109. Foetal monitors consisting of a microphone, headphone and listening cone of heading 85.18 (see the Explanatory Note to that heading)."
110. (This exclusion note would be located at the end of (IV) Electro-Medical Apparatus, page 1615 of the EN.)".
111. **The Committee is invited to examine the draft amendments in square brackets in Annex E/18 to Doc. NR0101B2 and Canada's counter-proposal set out above, and to decide whether this amendment is to be made by corrigendum or under the Article 16 procedure.**

Annex C/3 and Annex F/1

112. As regards present Classification Opinions 4410.19/1 and 4410.19/12, certain delegates were of the view that the current wording was silent with regard to whether the products in question were surface-covered with decorative laminates of plastics. The Classification Opinions would therefore have to be transposed, taking account of the exact description of the product as contained in the text of the Compendium of Classification Opinions. These products therefore had to be classified in new subheading 4410.39.

However, the Committee could revise or even delete one of these Classification Opinions if a Contracting Party so requested.

113. Other delegates were, however, of the view that whether or not the surfaces of the products described in the Opinions was covered with decorative laminates of plastics was a classification issue to be examined by the Harmonized System Committee on the basis of samples and other relevant information and the Review Sub-Committee was not competent in this regard. Since, based on the current wording of the Classification Opinions in question, the laminates could be decorative or not, both possible classifications, i.e., 4410.33 and 4410.39, should be shown in the amended Classification Opinions.
114. Since opinions were divided, the Sub-Committee agreed to place the two Classification Opinions in square brackets and ask the Committee to decide on the appropriate subheadings.
115. The Sub-Committee also agreed to delete present Classification Opinions 4901.99/3 and 8524.51/1 concerning the "Children's Bible Book (Look, Listen and Read)", from the 2002 version of the Compendium of Classification Opinions and invited administrations to submit a new request for the classification of the product under the 2002 version of the HS, if they so wished.
116. **The Committee is invited to examine the texts reproduced in Annex F/1 to Doc. NR0101B2 and to decide on the texts in square brackets.**

Annex C/4 and Annex E/10

117. At the request of one of the delegates, who indicated that consultations with industry had not yet been concluded, the Sub-Committee agreed to discuss the proposed amendments to the Explanatory Notes to Chapter 41, on a preliminary basis. Further discussions could be held during the forthcoming session of the HSC. He also indicated that comments from industry would be sent to the Secretariat soon, on which basis the Secretariat might prepare a new document.
118. There was consensus vis-à-vis the re-structuring of the General Explanatory Note to Chapter 41, as suggested by the United States. However, the Sub-Committee could not reach a consensus on which text should be used for the second paragraph of Part (I), i.e., the text as proposed by the United States or the alternative text proposed by the Secretariat. The Chairman, pointing out the various issues to be addressed, invited delegations to give their views on the issues, in particular the question of the use of the terms "hides and skins" or "leather" to describe the products of new headings 41.04 to 41.06. The Director pointed out that there would not be a separate document for the HSC on the issues related to Chapter 41, but that the situation would be summarized in the usual document presenting the results of the work of the Sub-Committee, except for any new information which would be supplied by Contracting Parties.
119. In this connection, the Delegate of Japan indicated, since the term "leather" was not used in the legal texts of headings 41.04 to 41.06, that the words "into leather" should not be used in the title of Part (II). He also suggested to delete the first two sentences of the third paragraph of Part (II) of the General Explanatory Note. The relevant parts were placed in square brackets.

NC0182E1

120. **The Committee is invited to note that this question is dealt with under Agenda item VI.5 for this session. The texts to be examined are reproduced in Annex E/10 to Doc. NR0101B2.**

* * *

List of amendments in the Annexes to Doc. NR0072B2 - RSC/20,
modified at HSC/24 or RSC/21 or deleted
following objections to the recommended amendments

Annex to Doc. NR0072B2	Amendments concerned	Observations
D/2/1	Page 53. Heading 07.09. Item (5)	Replaced - Annex E/1 - Doc. NR0101B2
D/2/5	Page 84. Heading 12.05. Explanatory Note	Replaced - Annex E/7 - Doc. NR0101B2
D/3/2	Page 118. Heading 15.14. Part (A). Second paragraph. Second sentence	Replaced - Annex E/7 - Doc. NR0101B2
D/5/9	Page 229. Heading 27.10. New Part (II). Item (1)	Amended in <u>French</u> - Annex E/8 - Doc. NR0101B2
D/6/6	Page 384. Heading 29.15. Items (V) and (VI)	Replaced - Annex E/2 - Doc. NR0101B2
D/6/12	Page 419. Heading 29.33. Subheading Explanatory Note to subheading 2933.79	Replaced - Annex E/1 - Doc. NR0101B2
D/6/32	Page 448. List of narcotic drugs (Items 1 and 2)	Replaced - Annex E/3 - Doc. NR0101B2
D/6/37	Page 512. Heading 33.07. Item (III). Second paragraph	Replaced - Annex E/1 - Doc. NR0101B2
D/6/38	Page 519. Heading 34.01. New Item (III)	Replaced - Annex E/1 - Doc. NR0101B2
D/6/39	Page 521. Heading 34.02. Part (II). Item (A). Last paragraph	Replaced - Annex E/1 - Doc. NR0101B2
	Page 525. Heading 34.04. Fourth paragraph. Item (4)	Replaced - Annex E/4 - Doc. NR0101B2
	Page 526. Heading 34.04. Exclusion (h)	Replaced - Annex E/4 - Doc. NR0101B2
D/6/40	Page 534a. Heading 35.06. Exclusion (b)	Replaced in <u>French</u> - Paragraph 29 of this document
D/6/45	Page 582. Heading 38.24. Item (10) (items 1. and 2.)	Replaced - Annex E/4 - Doc. NR0101B2
D/7/1	Page 592. Chapter 39. General. Item (2). Fifth line	Replaced - Annex E/4 - Doc. NR0101B2
D/7/2	Page 595. Chapter 39. General. Item (e)	Replaced - Annex E/4 - Doc. NR0101B2
D/7/3	Page 599. Chapter 39. Subheading Explanatory Note. Note 1. Item (A) (1). Last paragraph	Replaced - Annex E/4 - Doc. NR0101B2

D/7/5	Page 605. Heading 39.05. Second paragraph. First line (Item 4. (ii))	Replaced - Annex E/4 - Doc. NR0101B2
	Page 605. Heading 39.05. Third paragraph (Item 5. (ii))	Replaced - Annex E/4 - Doc. NR0101B2
D/7/6	Page 606. Heading 39.05. First paragraph	Replaced - Annex E/4 - Doc. NR0101B2
D/7/8	Page 617. Heading 39.20. Heading text	Replaced - Annex E/5 - Doc. NR0101B2
D/7/11	Page 639. Heading 40.10. Antepenultimate paragraph	Replaced - Annex E/1 - Doc. NR0101B2
D/8	Complete Annex D/8	Replaced - Annex E/10 - Doc. NR0101B2
D/10/14	Page 755. Heading 48.17. Fifth paragraph. Last sentence	Replaced - Annex E/11 - Doc. NR0101B2
D/10/15	Page 760. Heading 48.23. Second paragraph. Items (1), (4), (7), (8) and (12)	Replaced - Annex E/11 - Doc. NR0101B2
D/10/16	Page 761. Heading 48.23. First paragraph. Items (19) and (20)	Replaced - Annex E/11 - Doc. NR0101B2
D/11/3	Page 859. Heading 56.08. Exclusion (a)	Replaced - Annex E/9 - Doc. NR0101B2
D/11/4	Page 865. Heading 57.02. Paragraph after Item (6)	Deleted - Annex B/1, paragraph 21 - Doc. NR0101F2 (corrigendum)
	Page 885. Heading 58.08. Last paragraph	Replaced - Annex E/9 - Doc. NR0101B2
D/11/8	Page 925. Heading 61.17. Last paragraph. Exclusion (g)	Replaced - Annex E/9 - Doc. NR0101B2
D/16/2	Page 1262. Heading 84.14. Last paragraph. Exclusion (d)	Replaced - Annex E/1 - Doc. NR0101B2
D/16/3	Page 1263. Heading 84.15. New seventh paragraph	Replaced - Annex E/1 - Doc. NR0101B2
D/16/4	Page 1264. Heading 84.15. Second paragraph. Exclusion (b)	Replaced - Annex E/1 - Doc. NR0101B2
D/16/10 to D/16/13	Pages 1393 to 1395. Heading 84.67. Legal texts and Explanatory Note	Replaced - Annex E/17 - Doc. NR0101B2
D/16/16	Page 1442. New Subheading Note 2 (item 3.)	Deleted - Paragraph 18 of this document (US reservation)
	Page 1442. New Subheading Note 3	Amended (renumbered) - See immediately above

D/16/18	Page 1463. Heading 85.14. First paragraph. New second sentence (Item 5.)	Replaced - Annex E/12 - Doc. NR0101B2
D/16/18	Page 1463. Heading 85.14. Part (I). Second paragraph. Item (D). New third sentence (item 8.)	Replaced - Annex E/12 - Doc. NR0101B2 + annex E, paragraph 14 - Doc. NC0160E2
D/16/19	Page 1467. Heading 85.15. Item (H) (3)	Replaced - Annex E/4 - Doc. NR0101B2
D/16/20	Page 1477. Heading 85.18. Part (C). New third paragraph	Replaced - Annex E/13 - Doc. NR0101B2
D/16/21	Page 1486. Subheadings 8524.31 to 8524.40 and subheading 8524.91	Deleted - Paragraph 18 of this document (US reservation)
	Page 1487. Heading 85.24. First paragraph. Item (9)	Deleted - Paragraph 18 of this document (US reservation)
