



HARMONIZED SYSTEM
COMMITTEE

-
25th Session
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NC0224E1

O. Eng.

Brussels, 3 March 2000.

CLASSIFICATION OF PROPRIETARY STORAGE FORMATS

(Item IX.14 on Agenda)

Reference documents :

42.448 (HSC/22)
NC0160E2, Annex G/17 (HSC/24 – Report)

I. BACKGROUND

1. At its 24th Session in October 1999, the Harmonized Systems Committee examined Doc. 42.448, "Possible Amendments to the Explanatory Note to Heading 84.71". Following its discussion, the Committee requested the Secretariat to prepare separate documents for the classification of twelve product categories of which "proprietary storage formats" is one (see Annex G/17 to Doc. NC0160E2). The Secretariat requested and received information on these products through the assistance of the International Chamber of Commerce (ICC). Having received no input from administrations, the following represents the Secretariat's view on the classification of "proprietary storage formats".

II. SECRETARIAT COMMENTS

A. Description

2. The Secretariat would like to point out firstly that it has not received a definition of "proprietary storage formats". However, it has extracted the following description and applications of "proprietary storage formats" from the information received from the ICC, and where necessary completed with the Secretariat's experience in this area. Secondly, the Secretariat believes that the description given below refers to a class of products rather than to a single, specific article. It is therefore, in the view of the Secretariat, not possible to give exact dimensions or other particulars of the articles. Thirdly, the use of the word "proprietary" seems not to be necessary when used in conjunction with storage formats, since the type of format (i.e., proprietary, standard or non-standard) would not influence the classification of the storage devices.

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Data storage devices, whether for internal installation in an automatic data processing (ADP) machine or for external use with such machines, in which case they are portable and connectable to the machine through the parallel port, or through an SCSI or USB connection. The devices may be in the form of drives for discs (magnetic discs or CD-R (CD-Recordable) or CD-RW (CD-Rewritable) discs) or for magnetic tape. The discs and tapes have storage capacities ranging from 40 Mbits to 2 Gbits, and have a specific form which can only be used with the appliances of the same producer.

Packages for retail sale may contain the driver and a power supply, a connecting cable, software and, sometimes, a disc. The drives are configured to work in an ADP environment operating system (such as Windows 95, Windows 98, Windows NT, MAC).

B. Classification

3. The Secretariat considers that “proprietary storage formats” are in fact data storage devices, which are to be connected (whether internally or externally) to an automatic data processing machine. They are capable of accepting and delivering data in a form which can be used by ADP machines, are connectable to the central processing unit, and are of a kind solely or principally used in ADP machines or systems. Consequently, the storage devices appear to be properly classified as storage units in heading 84.71, since they satisfy the provisions of Note 5 (B) to Chapter 84. In this context, it is to be noted that, by application of Note 5 (D), disc storage units (emphasis added) need only satisfy the conditions laid down in Note 5 (B) (b) and 5 (B) (c).
4. In conclusion, the Secretariat considers that the devices referred to as “proprietary storage formats” are classifiable in heading 84.71 (subheading 8471.70) by application of General Interpretative Rules 1 (Note 5 to Chapter 84 and heading 84.71) and 6 (subheading 8471.70).
5. It should be noted, however, that, if the articles at issue are presented with software on disc (laser or magnetic), this disc is to be classified in heading 85.24, by application of Note 6 to Chapter 85. The appropriate subheading depends on the information contained on the disc. The same classification principle applies to any other discs or tapes presented with the devices, but not containing data. These are classified in heading 85.23, subheading 8523.20 (for discs) or subheadings 8523.11 to 8523.13, as the case may be (when in the form of magnetic tapes).

III. CONCLUSION

6. The Committee is invited to examine the classification of articles known as “proprietary storage formats”, as described in paragraph 2 above, taking into account the comments of the Secretariat in paragraphs 3 to 5 above. It is also invited to indicate what further action should be taken with regard to this matter.