



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

NR0260E1

-
25th Session
-

O. Eng.

Brussels, 11 February 2002.

POSSIBLE AMENDMENTS TO THE NOMENCLATURE
REGARDING THE CLASSIFICATION OF CAMERAS

(Item III.A.4 on Agenda)

Reference documents :

NC0055E1 (HSC/23)	NR0141E1 (RSC/23)
NR0072E2, Annex C, paragraph 94 (RSC/20 – Report)	NR0152E1 (RSC/23)
NR0086E1 (RSC/21)	NR0165E2, Annex D/8 (RSC/23 – Report)
NR0093E1 (RSC/21)	NR0173E1 (RSC/24)
NR0095E1 (RSC/21)	NR0199E1 (RSC/24)
NR0101E2, Annex B/12 (RSC/21 – Report)	NR0205E2, Annex C/5 (RSC/24 – Report)
NR0101E2, Annex E/15 (RSC/21 – Report)	NR0214E1 (RSC/25)
NR0118E1 (RSC/22)	NR0259E1 (RSC/25)
NR0133E2, Annex D/8 (RSC/22 – Report)	

I. BACKGROUND

1. On 7 December 2001, the Secretariat received the following note from the **Canadian** Administration in support of its proposal to transfer the cameras of heading 85.25 to heading 90.06.

II. NOTE FROM THE **CANADIAN** ADMINISTRATION

2. “In the 2002 amendments to the Harmonized System, heading 85.25 was amended to include “digital cameras”.

Note : Shaded parts will be removed when documents are placed on the WCO documentation database available to the public.

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3. At the 22nd Session of the Harmonized System Review Sub-Committee (RSC) there was preliminary discussion of a Secretariat proposal to amend heading 85.25 in 2007. Canada indicated we were considering submitting a proposal to move the cameras covered by heading 85.25 to heading 90.06; that proposal was submitted to the RSC in Doc. NR0152E1.
4. At the 23rd Session of the RSC there was preliminary discussion of the Canadian proposal to amend headings 85.25 and 90.06. Although there was some support for the concept of transferring cameras from heading 85.25 to heading 90.06, there was also support for the wording proposed by the Secretariat.
5. At the 24th Session of the Harmonized System Review Sub-Committee there was further discussion of the Canadian proposal to transfer the cameras of heading 85.25 to heading 90.06 :
 - (a) one delegate felt that, as a result of our proposal, goods such as videophones that are currently classified in Section XVI by application of Note 3 to that section would be classified under Chapter 90 due Note 1(m) to Section XVI;
 - (b) other delegates indicated they considered digital cameras to be electronic, not optical, equipment;
 - (c) the ICC and JEITA provided information regarding the distinction between digital and photographic camera; Canada indicated it believed that certain parts of digital cameras are the same as those used in photographic cameras.

Note 1(m) to Section XVI

6. While Canada believes that videophones would remain classified in heading 85.17 because they are specifically named therein, we understand the concern raised regarding Note 1(m) to Section XVI and have addressed it in our proposal to amend Note 3 to Chapter 90 and Note 1(m) to Section XVI.

Electrical or optical apparatus

7. Canada understands the view that digital cameras are electrical apparatus and even acknowledges that many modern photographic cameras include electrical systems; however, we do not agree that is cause to consider either to be goods of Chapter 85. Many of the goods of Chapter 84 and Chapters 86 through 95 operate electronically, but have been provided for in those Chapters because of the function they perform.
8. Digital cameras use a lens, or lenses, to focus light onto a DIA (see paragraph 11 below) and store, on a magnetic/electronic media, the resulting data necessary to reproduce the image captured; photographic cameras use a lens, or lenses, to focus light onto photographic film that captures and retains the image, although it is sensitive to light and must be further processed to produce negatives*. The data files and negatives are then used to print pictures.

* NOTE : the storage media for digital cameras is sensitive to magnetic fields and electrical phenomena

9. The Concise Oxford Dictionary defines image as “*an optical appearance or counterpart produced by light or other radiation from an object reflected in a mirror, refracted through a lens, etc.*” Both photographic and digital cameras capture images by focusing light through a lens, or lenses. Regardless whether an image is captured on film or sensed by a DIA and stored digitally on media, the process of capturing the image is fundamentally optical; therefore, both photographic and digital cameras are optical apparatus.
10. Further, the editing and viewing of images, concepts also raised at RSC/24, are processes distinct from the capturing and storing of the image. Even if the capacity to do so is provided in a digital camera those functions are auxiliary in nature and not relevant to the classification of the goods or cause to designate them as goods of Chapter 85.
11. Finally, industry advises that in many cases, digital and photographic cameras share many of the same parts and accessories (e.g., bodies, tripods, connectors, shutters, diaphragms, etc.). Thus, if digital cameras are left under heading 85.25 those parts and accessories will be classified by use and not function; resulting in the same good being classified under two headings.

Distinction between digital and photographic cameras

12. Although **Canada** does not dispute the information presented by the ICC and JEITA, reproduced in Doc. NR0199E1, we disagree that it is cause to conclude that digital cameras do not perform the same fundamental function as a photographic camera. The differences cited by the ICC and JEITA relate entirely to the “back-end” of the camera. Industry has confirmed that the fundamental difference between a digital camera and a photographic camera is that in the former a digital image array (DIA), referred to by the ICC/JEITA as a charge-coupled device, replaces the film used in the latter. The technology related to the process by which light is directed to the DIA/film is the same for both types of cameras and represents the essential element of *what* a camera does; the DIA/film represents only *how* it does it. As digital and photographic cameras perform the same the function (i.e., the capturing and storing of images) they should be provided for under the same heading.

Canadian proposal to transfer the cameras of heading 85.25 to heading 90.06

13. **Canada** therefore reiterates our proposal, presented in Doc. NR0152E1, that the cameras provided for in heading 85.25 be transferred to heading 90.06. The precise wording of the heading text and subheading structure is a separate issue.
14. The question of whether the cameras currently provided for under heading 85.25 should be transferred to heading 90.06 should be decided first. The heading text and subheading structure used to currently used to describe the goods will need to be reviewed regardless of that decision; however, that decision will provide the necessary context in which to consider the proper wording."

III. CONCLUSION

15. The Sub-Committee is invited to take account of the Note from the **Canadian** Administration when it examines this agenda item.