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HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

-
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(+ Annex)

O. Eng.

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COMPREHENSIVE REVIEW OF THE EXPLANATORY NOTES

POSSIBLE AMENDMENT OF THE EXPLANATORY NOTES

TO HEADINGS 85.23 TO 85.48

(Item III.C.16 on Agenda)

I. BACKGROUND

1. At its 23rd Session (March 2001), the Review Sub-Committee discussed the issue of the comprehensive review of the HS Explanatory Notes, taking into account the points raised by the Secretariat in Doc. NR0150E1, in particular the scope of the updating of the existing Explanatory Notes, by :
 - Deleting references to obsolete products and technology,
 - Substituting references to current products and technology,
 - Restructuring the Notes to make them easier to understand, and
 - Supplementing the Notes to make them more complete.
2. In accordance with these discussions, amendments to the Explanatory Notes to headings 85.23 to 85.48 have been prepared as a joint proposal from the Secretariat and an officer of the **United Kingdom** Administration.
3. The **United Kingdom** "Explanatory Memorandum" and the Secretariat's own proposals (in bold) are reproduced below.

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II. SECRETARIAT COMMENTS

4. The proposed amendments are set out in the Annex to this document. In this context, the Secretariat would like to clarify that only those parts of the Explanatory Notes (ENs) have been reproduced which are affected by the amendments. Proposed deletions are indicated by “strikethrough” text, whereas new texts are indicated by underlining. Throughout the recommended amendments to the ENs, when a new numbered or lettered paragraph was added the remaining paragraphs in the sequence were consequently renumbered or re-lettered.

Explanatory comments for each heading

Heading 85.23.

5. Point 1 has been deleted as according to the information available these products no longer exist. Deletions of references in point 4 also relate to processes which are no longer used. The term "metal" has been added to point 5, as discs are made of metal.
6. Formatted discs are not considered recorded media as formatting is basically a process which prepares the media for recording of information.
7. The paragraph after point 5 has been amended to bring the text in line with the text of the new Chapter Note 6 to Chapter 85, which was adopted from 1/1/2002.

Heading 85.24.

8. The deletions in point 1 and 2 are again related to outdated technology. Point 9 has been amended to include DVDs.
9. The paragraph after point 9 has been amended to bring the text in line with the text of the new Chapter Note 6 to Chapter 85, which was adopted from 1/1/2002.
10. An exclusion has been proposed for preformatted discs to heading 85.23.
11. An exclusion has been proposed for cartridges for game machines (heading 95.04).

Heading 85.25.

12. Point A3 has been expanded to give further information on mobile phones and also to include the base stations which are an important part of the infrastructure for mobile phones and are traded in large volumes world-wide.
13. Point C - References to cameras used with ADP machines for video conferencing applications and cameras used in CCTV applications have been included.
14. Point D – Cameras needs further clarification as there is a big misunderstanding between the terms still image video cameras, other video camera recorders and digital cameras.

However, as the legal text cannot be amended until 2007 (**see Agenda Item III.A.17**) we need to try and clarify the situation in the Explanatory Notes. The term digital cameras applies to both still image video cameras and other video camera recorders as the term digital is basically referring to the technology.

Heading 85.26.

15. Point 1 has been amended to add global positioning receivers (GPS).

Heading 85.27.

16. A reference to Hi-fi systems has been added to this heading.

Heading 85.28.

17. Point 1 - TV receivers - References to plasma and LCD technology added. The reason for adding these references is because goods are traded as LCD televisions or plasma televisions but tend to be classified based on the headings for LCD or plasma displays. Secondly a reference to modems has also been included to clarify the classification of Internet television.
18. Point 3 relating to video tuners needs to be deleted. This relates to outdated technology. The new tuners on the market are digital tuners which can be used in a number of applications and their use can be modified based on the software present in the tuner.
19. Point 4 - A reference to the fact that satellite receivers may incorporate a modem for connection to the internet has been added. The reason for this addition is that there are products on the market which are referred to as internet set-top boxes but do not contain a tuner and there is confusion between the classification of these two products.
20. Point 6 - Video Monitors - A reference to the different technologies has been added. The reason for adding this reference is because products are described as LCD displays.
21. Point 7 - Video Projectors - A reference to the different technologies has been added.
22. Point 9 - A new point relating to combinations of television receivers in the same housing with a Video Cassette recorder or a DVD player.
23. Exclusion (d) has been added for closed circuit TV systems (CCTV).

Heading 85.29.

24. Exclusion (c) has been deleted as these products no longer exist. However an exclusion has been proposed for accumulators for cellular/mobile phones to heading 85.07 as this is another item traded in large quantities and the classification is frequently queried.

Heading 85.30.

25. No changes proposed as it was very difficult to get information on these products.

Heading 85.31.

- 26. Point B has been amended to make reference to new technology.
- 27. Exclusion (c) has been proposed for LCD displays. The common problem is that as the legal text at subheading level makes reference to "Indicator panels incorporating LCDs" all LCDs are classified under this heading immaterial of the fact that they may be a ADP monitor, video monitor or a TV receiver.

Headings 85.32 to 85.34.

- 28. No changes are recommended.

Heading 85.35.

- 29. Point F has been amended to include a reference to spike suppressors.

Heading 85.36.

- 30. Point 1A – An addition is proposed to include a reference to electronic switches which use semiconductor components.
- 31. Point IIIa - Addition proposed for contact pads which are used in telephones.

Heading 85.37.

- 32. Point 4 - Addition proposed to include control devices for vending machines.
- 33. Exclusion (d) - An exclusion has been proposed for cordless infrared remote controls which are used with a number of electrical equipment.

Heading 85.38.

- 34. No changes are recommended.

Heading 85.39.

- 35. Point A - Sealed beam lamp units - The information from industry is that these products are no longer manufactured and hence reference from the legal text and Explanatory Notes needs deletion.
- 36. Point C - Points 6 and 7 have been added for different types of lamps.
- 37. Parts - 2 examples have been added to the parts heading as these are traded products.

38. Exclusions - Present exclusion (e) has been deleted as it is no longer applicable. Exclusions have been added for luminescent diodes, electro-luminescent devices in the form of strips, panels, etc. and also for resistance lamps with carbon filaments.

Heading 85.40.

39. No changes are recommended.

40. **The Secretariat would draw the Sub-Committee's attention to the fact that information received from the industry indicates that, with the evolution of technology, some of the criteria mentioned in this heading can no longer be used to make a distinction between a cathode ray tube for an ADP monitor or for a television (currently included in 8540.11 and 8540.12). If the Sub-Committee agrees, the Secretariat may carry out a study to present at the 27th Session, on the scope of subheading 8540.40, which makes reference to a dot screen pitch smaller than 0.40 mm.**

Heading 85.41.

41. No changes are recommended.

Heading 85.42.

42. Under the notes for monolithic circuits reference has been added to the circuits which are most commonly traded such as memories, microcontrollers, logic circuits, control circuits, etc.

Heading 85.43.

43. Point 4 - A reference to audio mixers and equalizers has been added to this text.

44. Point 18 – A proposal is made to add a reference to cordless infra red devices for the remote control of electrical devices.

45. Point 19 - A proposal is made to add a reference to “cordless infrared stereo receivers”.

46. Point 20 - A proposal is made to add a reference to “electroluminescent devices in the form of panels, plates or strip”.

47. Point 21 - A proposal is made to add a reference to electronic reading devices for visually handicapped.

48. Point 22 - A proposal is made to add a reference to “digital flight data recorders”.

Headings 85.44 and 85.48.

49. No changes are recommended.

III. CONCLUSION

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50. The Sub-Committee is invited to examine the draft amendments to the Explanatory Notes to headings 85.23 to 85.48, as set out in the Annex to this document.

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