

WORLD CUSTOMS ORGANIZATION ORGANISATION MONDIALE DES DOUANES

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HARMONIZED SYSTEM REVIEW SUB-COMMITTEE

NR0361E1 (+ Annexes I to III)

27th Session

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 C.7 on Agenda)

Reference documents:

NR0307E1 (RSC/26)

NR0332E2 - Annex E/16 (RSC/26 - Report)

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 were prepared as a joint proposal by the Secretariat and an officer of the United Kingdom Administration.
- 3. At its 26th Session, the Review Sub-Committee carried out a preliminary examination of the proposed amendments and agreed to continue the discussion at its next session.

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II. SECRETARIAT COMMENTS

- 4. The present document is a revised version of Doc. NR0307E1 prepared by the Secretariat for the 26th Session of the Review Sub-Committee.
- 5. With a view to facilitating the discussion, the Secretariat has set up three annexes to the present document :
 - In Annex I the usual presentation of the proposed amendments and new texts is used (i.e., "delete and substitute" format).
 - In Annex II a presentation involving strikethrough and underlining is used: the proposed deletions are indicated by "strikethrough" text, whereas new texts are indicated by underlining. Texts that were merely renumbered or relettered have not been included.
 - In Annex III the comments on the suggested changes made by delegates at the Sub-Committees 26th Session are reproduced.
- 6. The United Kingdom "Explanatory Memorandum" and the Secretariat's own comments (in bold) are reproduced below.

Explanatory comments for each heading

Heading 85.23.

- 7. 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.
- 8. Formatted discs are not considered recorded media as formatting is basically a process which prepares the media for recording of information.
- 9. 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.

- 10. The deletions in point 1 and 2 are again related to outdated technology. Point 9 has been amended to include DVDs.
- 11. 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.
- 12. An exclusion has been proposed for preformatted discs to heading 85.23.
- 13. An exclusion has been proposed for cartridges for game machines (heading 95.04).

Heading 85.25.

- 14. 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.
- 15. Point C References to cameras used with ADP machines for video conferencing applications and cameras used in CCTV applications have been included.
- 16. 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 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.

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

Heading 85.27.

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

Heading 85.28.

- 19. 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.
- 20. 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.
- 21. 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.
- 22. 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.
- 23. Point 7 Video Projectors A reference to the different technologies has been added.
- 24. Point 9 A new point relating to combinations of television receivers in the same housing with a Video Cassette recorder or a DVD player.
- 25. Exclusion (d) has been added for closed circuit TV systems (CCTV).

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Heading 85.29.

26. 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.

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

Heading 85.31.

- 28. Point B has been amended to make reference to new technology.
- 29. 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.

Heading 85.35.

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

Heading 85.36.

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

Heading 85.37.

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

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 next session, on the scope of subheading 8540.40, which makes reference to a dot screen pitch smaller than 0.40 mm.

Heading 85.42.

41. 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.

- 42. Point 4 A reference to audio mixers and equalisers has been added to this text.
- 43. Point 18 A proposal is made to add a reference to cordless infra red devices for the remote control of electrical devices.
- 44. Point 19 A proposal is made to add a reference to "cordless infrared stereo receivers".
- 45. Point 20 A proposal is made to add a reference to "electroluminescent devices in the form of panels, plates or strip".
- 46. Point 21 A proposal is made to add a reference to electronic reading devices for visually handicapped.
- 47. Point 22 A proposal is made to add a reference to "digital flight data recorders".

III. CONCLUSION

48. 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 Annexes to this document, while take into account the comments made by delegates at its last session, as reproduced in Annex III.

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AMENDMENTS TO THE EXPLANATORY NOTES TO BE MADE BY CORRIGENDUM

CHAPTER 85.

Page 1664. Heading 85.23. First paragraph.

1. Item (1).

Delete present item (1).

2. Item (4).

Delete and substitute:

"(4) Media for magnetic recording, e.g., discs or cards (of plastics or paper), tapes, strips or films (of plastics or metal), either capable of being magnetised or so rendered by coating with a lacquer containing dispersions of magnetic powder."

Renumber present items (2) to (4) as (1) to (3), respectively.

Page 1665. Heading 85.23.

1. First paragraph. Item (5). First paragraph. Second sentence.

Delete "made of glass" and substitute "made of glass or metal".

2. First paragraph. Item (5). New second paragraph.

Insert the following new second paragraph:

"Formatting of discs is not considered as a recording process and formatted discs are classified under this heading."

Renumber present item (5) as (4).

3. Second paragraph.

Delete and substitute:

"Unrecorded media for sound recording or similar recording, presented together with the apparatus for which they are intended, are to be classified in this heading (See Part (B) to the General Explanatory Note to this Chapter)."

Page 1666. Heading 85.24.

1. First paragraph. Item (1).

Delete and substitute:

- "(1) **Recorded discs, tapes, strips, etc.**, whatever the stage of manufacture at which they are presented (e.g., the discs mentioned in Explanatory Note to heading 85.23, impressed with sound) are starting point in the production of commercial records."
- 2. First paragraph. Item (2). First sentence.

Delete "discs or wax blanks" and substitute "discs".

3. First paragraph. Item (9).

Delete and substitute:

- "(9) **Discs for sound image and other data reproduction** with an optical reading system (compact discs, digital versatile discs, etc.)."
- 4. Second paragraph.

Delete and substitute:

"Media recorded with sound or similar recording presented together with the apparatus for which they are intended are to be classified in this heading."

5. New exclusions (c) and (d).

Insert the following new exclusions (c) and (d):

- "(c) Pre-formatted discs (heading 85.23).
- (d) Cartridges for games machines (heading 95.04)."

Page 1667. Heading 85.25. Part (A). Second paragraph. Item (3).

Insert the following text after the last sentence:

"These mobile phones are cordless and fitted with an antenna. Mobile phones receive and emit radio waves which are received and retransmitted by radio-telephone stations (base-stations) linked to each other. Each base station covers a geographical area (a cell). If the user moves from one cell to another while telephoning, the call is automatically transferred from one cell to another without interruption."

Page 1668. Heading 85.25. Part (C). New second and third paragraphs.

Insert the following new two last paragraphs:

"This group also includes cameras used with ADP machines for video-conferencing which do not have any inbuilt capability of recording images, e.g., webcams.

Cameras used in CCTV (closed circuit television) which operate on the similar principle of television cameras are also included in this group."

Page 1670. Heading 85.26. Item (1). New last sentence.

Insert the following new last sentence:

"It also includes global positioning satellite (GPS) receivers."

Page 1673. Heading 85.27. Part (B). First paragraph. New item (5).

Insert the following new item (5):

"(5) Stereo systems (hi-fi systems) containing a radio receiver, put up in sets for retail sale, consisting of modular units in their own separate housing, e.g., in combination with a CD player, a cassette recorder, an amplifier with equaliser, etc. The radio receiver gives the system its essential character."

Page 1673. Heading 85.28. Second paragraph. Item (1). New second and third sentences.

Insert the following new second and third sentences:

"They include LCD and plasma televisions. These may also incorporate a modem for connection to the Internet."

Page 1674. Heading 85.28.

1. First paragraph. Item (3).

Delete present item (3).

2. First paragraph. Item (4). New last sentence.

Insert the following new last sentence:

"These satellite receivers may also incorporate a modem for connection to the Internet."

3. First paragraph. Item (6). First paragraph. New last sentence.

Insert the following new last sentence:

"These may be in the form of CRT monitors or flat panel displays e.g., LCD, LED, plasma, etc."

4. First paragraph. Item (7). New last sentence.

Insert the following new last sentence:

"These include CRT or flat panel based displays, e.g., digital mirror devices (DMD), digital light processing (DLP), liquid crystal displays (LCD), plasma, etc."

Renumber present items (4) to (8) as (3) to (7), respectively.

5. First paragraph. New item (8).

Insert the following new item (8):

- "(8) Television receivers with a built in a video recorder, DVD player, satellite receiver, etc."
- 6. Exclusion paragraph. New exclusion (d).

Insert the following new exclusion (d):

"(d) Closed-circuit television systems consisting of a camera, a panel with several buttons and one or more video monitors connected to a communications post and coaxial cables for linking the different elements, presented in the form of a set put up for retail sale (heading 85.17)."

Page 1675. Heading 85.29. Exclusion paragraph. Exclusion (c).

Delete and substitute:

"(c) Accumulators for cellular phones also referred to as mobile phones (heading 85.07)."

Page 1676. Heading 85.30. Item (A) (1).

1. Third paragraph.

Delete "visual indicator" and substitute "visual display".

2. Fourth paragraph. Second sentence.

Delete "Contacts mounted" and substitute "Contacts or sensors mounted".

Page 1677. Heading 85.31. Third paragraph. Item (B).

Delete and substitute:

"(B) Electric sound signalling apparatus, horns, sirens, etc. The sound is produced by a vibrating reed, by a rotating disc set in motion electrically or electronic sound generator; they include factory sirens, air raid sirens, ships' sirens, etc."

Page 1679. Heading 85.31. New exclusion (c).

Insert the following new exclusion (c):

"(c) LCD displays are only classified under this heading when they do not meet the criteria for a monitor (heading 84.71), video monitor (heading 85.28) or a television receiver (heading 85.28)."

Page 1685. Heading 85.35. Item (F). Title.

Delete "Surge suppressors" and substitute "Surge or spike suppressors".

Page 1686. Heading 85.36. Part (I). Item (A). New fourth paragraph.

Insert the following new fourth paragraph:

"Electronic switches which operate by contactless means, using semiconductor components (for e.g., transistors, thyristors, integrated circuits)."

Page 1688. Heading 85.36. Part (III). New item (A) (3).

Insert the following new item (A) (3):

"(3) Contact pads: These consist of two superposed resilient films of plastics in which are embedded, at regular intervals, a large number of electrically conductive contact points of silicone rubber. These contact pads are incorporated, for example, under the keys of a telephone sets. Each time a time is pressed the appropriate contact points on the two films touch, and electrical contact is established."

Renumber present item (A) (3) as (A) (4).

Page 1689. Heading 85.37.

1. Second paragraph. New item (4).

Insert the following new item (4):

- "(4) Electrical control devices for automatic vending machines. These consist of a control pad incorporating in addition to relays and electrical switches, triacs and integrated circuits."
- 2. Exclusion paragraph. New exclusion (d).

Insert the following new exclusion (d):

"(d) Cordless infra red devices for the remote control of television receivers, video recorders or other electrical equipment (heading 85.43)."

Page 1691. Heading 85.39. Part (C). Second paragraph. New items (6) and (7).

Insert the following new items (6) and (7):

"(6)Xenon and alphanumeric tubes.

(7) Spectral discharge and glow discharge lamps."

Page 1692. Heading 85.39.

PARTS. New last sentence.

Insert the following new last sentence:

"They include:

- (1) Bases for incandescent and discharge electric lamps and bulbs.
- (2) Metal electrodes for discharge lamps and tubes."
- 2. Exclusion paragraph. New exclusions (b), (e) and (f).

Insert the following new exclusions (b), (e) and (f):

- "(b) Resistance lamps with carbon filaments and variable lamps with iron filaments in hydrogen (heading 85.33)"
- "(e) Luminescent diodes (heading 85.41)."
- "(f) Electro-luminescent devices ,generally in strips, plates or panels , and based on electro-luminescent substances (e.g. zinc sulphide) placed between two layers of conductive material (heading 85.43)"
- 3. Exclusion paragraph. Present exclusion (e).

Delete present exclusion (e).

Reletter present exclusions (b), (c) and (d) as (c), (d) and (g), respectively.

Page 1700. Heading 85.42. Item (I) (1). New last paragraph.

Insert the following new last paragraph:

"The products included are memories (e.g., DRAMS, SRAMs, PROMS, EPROMS, E2PROMS), microcontrollers, control circuits, logic circuits, gate arrays, interface circuits, etc."

Page 1702. Heading 85.43. Third paragraph. Item (4). New second sentence.

Insert the following new second sentence:

"Audio mixers and equalisers are also included under this heading."

Page 1703. Heading 85.43. New items (18) to (22).

Insert the following new items (18) to (22):

"(18) Cordless infra red devices for the remote control of television receivers, video

recorders or other electrical equipment.

- (19) Cordless infra red stereo receivers for the reception of broadcasts transmitted by infra-red beams which are converted into electrical signals which can be received as stereophonic signals through attachable telephones.
- (20) Electro-luminescent devices, generally in the form of strips, plates or panels.
- (21) Electronic reading devices for the visually handicapped. These devices comprise, in a single housing, a camera, which scans the original text (e.g., newspaper or book) and a monitor which reproduces the text in magnified form.
- (22) Digital flight-data recorders (flight recorders) in the form of a fire-proof, crashproof electronic apparatus for the continuos in-flight recording of specific flight data."

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AMENDMENTS TO THE EXPLANATORY NOTES TO BE MADE BY CORRIGENDUM

CHAPTER 85.

Pages 1664 to 1665. Heading 85.23. First paragraph.

The heading includes:

- (1) Wax blanks (discs approximately 3 cm thick, made of a composition containing waxes, stearic acid, stearates, etc.), on which the original recording is to be made.
- (12) **Discs** generally of plastics, paperboard, glass or metal, etc., coated with a film of lacquer or wax, to be impressed with sound.
- (<u>2</u>3) **Strips or films for mechanical sound recording**, made of plastics (usually poly (vinyl acetate) or poly (vinyl chloride)), coated with a special wax.
- (<u>3</u>4) **Media for magnetic recording**, e.g., discs or cards (of plastics or paper), tapes, strips or films (of plastics or metal) or metal wire, either capable of being magnetised or so rendered by coating with a lacquer containing dispersions of magnetic powder or by electrolytic deposit of a ferromagnetic coating (e.g., for magnetic wire).
 - These media may also be used for recording phenomena other than sound, previously converted into electric impulses, such as the light intensity of an image (television signals, facsimile transmission), data furnished by measuring apparatus such as recording thermometers or pyrometers (variations of temperature), by electro-diagnosis instruments (heartbeats, encephalographs, etc.), by radar, by spectral analysis apparatus, by apparatus for testing metals or other materials or by meteorological instruments. The media may also be used for recording machine tool work programmes, data for opening magnetic locks, data for machines of headings 84.69 to 84.72, railway signal systems, mock enemy attack devices, etc.
- (<u>45</u>) **Unrecorded discs or "blanks" prepared for laser-beam recording**. These discs, generally made of glass <u>or metal</u>, are coated with a layer in which signals representing sounds, images or similar phenomena can be recorded by means of a laser beam. These discs are used for the recording of data for automatic data processing machines, for the recording of images or to make masters for "compact discs".

Formatting of discs is not considered as a recording process and formatted discs are classified under this heading.

Unrecorded media for sound recording or similar recording, presented separately or together with the apparatus for which they are intended or assembled with constituent parts of machines of headings 84.69 to 84.72 (e.g., disc packs), are to be classified in this heading (See Part (B) to the General Explanatory Note to this Chapter).

Page 1666. Heading 85.24.

- 1. First paragraph. Item (1).
 - (1) **Recorded discs, tapes, wires, strips, etc.**, whatever the stage of manufacture at which they are presented (e.g., the discs or wax blanks-mentioned in Explanatory Note to heading 85.23, impressed with sound); these are thus starting points in the production of commercial records.
- 2. First paragraph. Item (2). First sentence.

Recorded media constituting intermediate products in the manufacture of commercial records from the recorded discs or wax blanks referred to above.

- 3. First paragraph. Item (9).
 - (9) **Discs for sound <u>image and other data</u>** reproducers reproduction with a laser an optical reading system (compact discs, digital versatile discs, etc.).
- 4. Second paragraph.

Media recorded with sound or similar recording, whether or not presented together with the apparatus for which they are intended or assembled with constituent parts of machines of headings 84.69 to 84.72, (e.g., disc packs) are in all cases to be classified in this heading.

- 5. Exclusion paragraph. New exclusions (c) and (d).
 - (c) Pre-formatted discs (heading 85.23).
 - (d) Cartridges for games machines (heading 95.04).

Page 1667. Heading 85.25. Part (A). Second paragraph. Item (3).

(3) Portable radio-telephones, usually battery operated, of the "walkie-talkie" type, as well as cellular telephones (also called "mobile phones"), including mobile radio-telephones of a type designed to be used in motor vehicles. These mobile phones are cordless and fitted with an antenna. Mobile phones receive and emit radio waves which are received and retransmitted by radio-telephone stations (base-stations) linked to each other. Each base station covers a geographical area (a cell). If the user moves from one cell to another while telephoning, the call is automatically transferred from one cell to another without interruption.

Page 1668. Heading 85.25. Part (C). New second and third paragraphs.

This group also includes cameras used with ADP machines for video-conferencing which do not have any inbuilt capability of recording images, e.g., webcams.

Cameras used in CCTV (closed circuit television) which operate on the similar principle of television cameras are also included in this group.

Page 1670. Heading 85.26. Item (1).

(1) Radio navigational aid equipment (e.g., radio beacons and radio buoys, with fixed or rotating aerials; receivers, including radio compasses equipped with multiple aerials or with a directional frame aerial). <u>It also includes global positioning satellite (GPS)</u> receivers.

Page 1673. Heading 85.27. Part (B). First paragraph. New item (5).

(5) Stereo systems (hi-fi systems) containing a radio receiver, put up in sets for retail sale, consisting of modular units in their own separate housing, e.g., in combination with a CD player, a cassette recorder, an amplifier with equaliser, etc. The radio receiver gives the system its essential character.

Pages 1673 to 1674. Heading 85.28. Second paragraph.

The heading includes:

- (1) Television receivers of the kind used in the home (table models, consoles, etc.) including coin-operated television sets. <u>They include LCD and plasma televisions.</u> <u>These may also incorporate a modem for connection to the Internet.</u>
- (2) Television apparatus for mounting in aircraft or spacecraft.
- (3) Video tuners, intended to be used with or incorporated in, e.g., video recording or reproducing apparatus or video monitors. These tuners convert high-frequency television signals into signals usable by video recording or reproducing apparatus or video monitors. However, devices which simply isolate high-frequency television signals (sometimes called video tuners) are to be classified as parts in heading 85.29.
- (34) Receivers of satellite television broadcasts. These apparatus, which do not include a display device (cathode-ray tube, LCD, etc.) are similar to video tuners in that they serve to receive amplified signals whose frequency has been lowered by a down converter, to select a single signal (channel) and to convert it to a signal suitable for display on a video monitor. They may incorporate a modulator capable of producing a standard television broadcast signal for outputting to the aerial connection of a television receiver. They may also incorporate a device for receiving remote signals to change the channel selection or to rotate the aerial and polariser. These satellite receivers may also incorporate a modem for connection to the Internet.
- (<u>45</u>) Television receivers for industrial use (e.g., for reading instruments at a distance, or for observation in dangerous localities). With this apparatus the transmission is often by line.
- (<u>56</u>) Video monitors which are receivers connected directly to the video camera or recorder by means of co-axial cables, so that all the radio-frequency circuits are eliminated. They are used by television companies or for closed-circuit television (airports, railway stations, steel plants, hospitals, etc.). These apparatus consist essentially of devices which can generate a point of light and display it on a screen synchronously with the source signals. They incorporate one or more video amplifiers with which the intensity of the point can be varied. They can, moreover, have separate inputs for red (R), green

(G) and blue (B), or be coded in accordance with a particular standard (NTSC, SECAM, PAL, D-MAC, etc.). For reception of coded signals, the monitor must be equipped with a decoding device covering (the separation of) the R, G and B signals. The most common means of image reconstitution is the cathode-ray tube, for direct vision, or a projector with up to three projection cathode-ray tubes; however, other monitors achieve the same objective by different means (e.g., liquid crystal screens, diffraction of light rays on to a film of oil). These may be in the form of CRT monitors or flat panel displays e.g., LCD, LED, plasma, etc.

Video monitors of this heading should not be confused with the display units of automatic data processing machines described in the Explanatory Note to heading 84.71.

- (<u>6</u>7) Video projectors, which enable the image normally reproduced on the screen of a video receiver to be projected on a large screen. <u>These include CRT or flat panel based displays</u>, e.g., digital mirror devices (DMD), digital light processing (DLP), liquid crystal displays (LCD), plasma, etc.
- (<u>78</u>)Television apparatus of all types equipped to receive, memorise and display texts and messages.
- (8) Television receivers with a built in a video recorder, DVD player, satellite receiver, etc.

Page 1674. Heading 85.28. Exclusion paragraph. New exclusion (d).

(d) Closed-circuit television systems consisting of a camera, a panel with several buttons and one or more video monitors connected to a communications post and coaxial cables for linking the different elements, presented in the form of a set put up for retail sale (heading 85.17).

Page 1675. Heading 85.29. Exclusion paragraph. Exclusion (c).

(c) Morse keys (heading 85.17) Accumulators for cellular phones also referred to as mobile phones (heading 85.07).

Page 1676. Heading 85.30. Item (A) (1). Third and fourth paragraphs.

The heading also covers equipment for signalling to stations or to signal boxes (either by means of a warning bell or a visual indicator display) the position or approach of trains, or the position taken up by points, signals, etc.

Certain types of signalling equipment incorporate means of passing the signal direct to the cab of the engine itself. Contacts or sensors mounted on the line actuate a mechanism on the engine as it passes, and either give visual or audible warning to the driver in the cab itself or, in some cases, operate the controls of the engine to bring it to a stop. That part of the equipment mounted in the engine is not covered by this heading.

Page 1677. Heading 85.31. Third paragraph. Item (B).

(B) **Electric sound signalling apparatus, horns, sirens, etc**. The sound is usually produced either by a vibrating reed, or by a rotating disc set in motion electrically <u>or</u> electronic sound generator; they include factory sirens, air raid sirens, ships' sirens, etc.

Page 1679. Heading 85.31. Exclusion paragraph. New exclusion (c).

(c) LCD displays are only classified under this heading when they do not meet the criteria for a monitor (heading 84.71), video monitor (heading 85.28) or a television receiver (heading 85.28).

Page 1685. Heading 85.35. Item (F). Title.

Surge or spike suppressors.

Page 1686. Heading 85.36. Part (I). Item (A). New fourth paragraph.

<u>Electronic switches which operate by contactless means, using semiconductor components (for e.g., transistors, thyristors, integrated circuits).</u>

Pages 1687 to 1688. Heading 85.36. Part (III). New item (A) (3).

(3) **Contact pads**: These consist of two superposed resilient films of plastics in which are embedded, at regular intervals, a large number of electrically conductive contact points of silicone rubber. These contact pads are incorporated, for example, under the keys of a telephone sets. Each time a time is pressed the appropriate contact points on the two films touch, and electrical contact is established.

Page 1689. Heading 85.37.

- 1. Second paragraph. New item (4).
 - (4) Electrical control devices for automatic vending machines. These consist of a control pad incorporating in addition to relays and electrical switches, triacs and integrated circuits.
- 2. Exclusion paragraph. New exclusion (d).
 - (d) Cordless infra red devices for the remote control of television receivers, video recorders or other electrical equipment (heading 85.43).

Page 1691. Heading 85.39. Part (C). Second paragraph. New items (6) and (7).

- (6) Xenon and alphanumeric tubes.
- (8) Spectral discharge and glow discharge lamps.

Page 1692. Heading 85.39.

PARTS.

Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), parts of the goods of this heading are also classified here. They include:

- (1) Bases for incandescent and discharge electric lamps and bulbs.
- (2) Metal electrodes for discharge lamps and tubes.

2. Exclusion paragraph.

The heading excludes:

- (a) Glass envelopes, and glass parts having the essential character thereof (e.g., spotlight bulb reflectors) for lamps (heading 70.11).
- (b) Resistance lamps with carbon filaments and variable lamps with iron filaments in hydrogen (heading 85.33)
- (<u>c</u>b) Automatic thermo-electric switches (starters) for starting fluorescent lamps (**heading 85.36**).
- (de) Thermionic valves and tubes (heading 85.40).
- (e) Luminescent diodes (heading 85.41).
- (f) Electro-luminescent devices ,generally in strips, plates or panels , and based on electro-luminescent substances (e.g. zinc sulphide) placed between two layers of conductive material (heading 85.43)
- (gd) Arc-lamp carbons and carbon filaments (heading 85.45).
- (e) Photographic flashbulbs of heading 90.06.

Page 1700. Heading 85.42. Item (I) (1). New last paragraph.

The products included are memories (e.g., DRAMS, SRAMs, PROMS, EPROMS, E2PROMS), microcontrollers, control circuits, logic circuits, gate arrays, interface circuits, etc.

Page 1702. Heading 85.43. Third paragraph. Item (4).

(4) Mixing units, used in sound recording for combining the output from two or more microphones; they are sometimes combined with an amplifier. <u>Audio mixers and equalisers are also included under this heading.</u> But mixing units specialised for cinematography are excluded (heading 90.10).

Page 1703. Heading 85.43. New items (18) to (22).

- (18) Cordless infra red devices for the remote control of television receivers, video recorders or other electrical equipment.
- (19) Cordless infra red stereo receivers for the reception of broadcasts transmitted by infra-red beams which are converted into electrical signals which can be received as stereophonic signals through attachable telephones.
- (20) Electro-luminescent devices, generally in the form of strips, plates or panels.
- (21) Electronic reading devices for the visually handicapped. These devices comprise, in a single housing, a camera, which scans the original text (e.g., newspaper or book) and a monitor which reproduces the text in magnified form.

(22) <u>Digital flight-data recorders (flight recorders) in the form of a fire-proof, crash-proof electronic apparatus for the continuos in-flight recording of specific flight data.</u>

* * *

OBSERVATIONS OF THE REVIEW SUB-COMMITTEE

CHAPTER 85.

Heading 85.23.

Pages 1664 and 1665.

1. First paragraph.

Japan

• The proposed amendments such as inserting "Formatting of discs is not considered as a recording process and formatted discs are classified under this heading need to be studied in more depth.

United States

 The redrafting of item (5) in order to align it on the wording of Note 6, adopted for the 2002 version of the Harmonized System, should be postponed until such time as the HS Committee has ruled on the scope of that Note; particularly with respect to the Palm V presented along with its software.

2. Second paragraph.

Canada

• Deletion of the term "separately" needs to be discussed.

Heading 85.24.

Page 1666. Second paragraph.

EC

• It should be made clear that this is merely transposing new Note 6 to Chapter 85 into the Explanatory Notes.

United States

Scope of Note 6 to Chapter 85 remains to be defined by the HS Committee.

United Kingdom

• It should be made clear that the term "cartridges", used in exclusion (d), refers to game cartridges only and not to "flash storage cards".

Heading 85.25.

Page 1667. Part (A). Second paragraph.

EC

• May propose new wording for the amendments to item (3), which would involve inserting, after "designed to be used in motor vehicles", the words "and base-stations".

United Kingdom

• It should be made clear that the text proposed in item (3) refers solely to "cellular telephones".

Page 1669. Part (D).

Japan

 A more detailed study is needed to define the scope of the term "cameras", in order to avoid any confusion between the various apparatus referred to in the proposed text.

Switzerland

 Recording speed of digital camcorders should be shown as 25 images per second, rather than 15 as in the proposal. (*)

Heading 85.27.

Page 1673. Part (B). Second paragraph.

United States

May put forward new proposals in respect of the stereo systems (hi-fi systems) referred
to in proposed new item (5), in order to assure that the text includes a reference to
speakers.

Heading 85.28.

Page 1673. Second paragraph.

United States

 Need additional information from the drafter on television receivers incorporating a modem for connection to the Internet.

PAL: 20 images.

^(*) Standards vary from one country to another. Examples: NTSC 15 images

Heading 85.29.

Page 1675. Exclusions.

EC and Canada

 Observation that some accumulators for telephones are sometimes presented as specific parts of apparatus. Therefore, the apparatus referred to may not all be classifiable in heading 85.07.

United States

Information needed from the drafter about the types of products referred to above.

United Kingdom

 Observation that the classification of accumulators for cellular telephones will be examined by HSC/30.

Heading 85.31.

Page 1679.

United States

 Need additional information from the drafter on the LCD displays referred to in exclusion (c).

United Kingdom

- It was intended that the texts proposed be aligned on the terminology adopted for the ITA Agreements.
- Classification of display panels incorporating LCD devices is on the Agenda for HSC/30.

Heading 85.37.

Page 1689. Second paragraph. New item (4).

Canada

 Need additional information about electrical control devices for automatic vending machines.

United States

Opposed to the insertion of proposed new exclusion (d), because cordless remote control
devices have been the subject of a court ruling in the United States, directing them to
heading 85.37.

United Kingdom

Referred to Classification Opinion 8543.89/3 concerning infra-red remote control devices.

Canada

• Expressed concerns about the classification of cordless remote control devices.

Heading 85.39.

Page 1690. Part (A).

Canada

 Time needed for reflection, as sealed beam lamp units are still being manufactured in North America.

United States

• Significant volume of trade represented by subheading 8539.10.

Heading 85.40.

United States

• Observation that even when presented separately, monitors for ADP machines remain classified in heading 84.71 and not in heading 85.28.

The Sub-Committee instructed the Secretariat to carry out a study aimed at clarifying the distinction between monitors for ADP machines and other cathode-ray television picture tubes.

Heading 85.43.

Page 1703. Third paragraph.

United States

Need more detailed description from the drafter of the apparatus referred to in items (18),
 (19) and (20) in the working document.

Japan

 Considered that the digital flight-data recorders referred to in item (22) could fall in heading 90.29.