



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

NR0425E1

-
28th Session
-

O. Eng.

Brussels, 23 July 2003.

COMPREHENSIVE REVIEW OF THE PROVISIONALLY APPROVED AMENDMENTS

TO HEADINGS 84.43, 84.69, 85.19, 85.20 AND 85.28

(Item III.A.27 on Agenda)

I. BACKGROUND

1. On the basis of the discussions in the Informal Working Group on restructuring Section XVI, the Secretariat has prepared an information document for the consideration of the Review Sub-Committee bringing together the legal text amendments for the high technology products area which have already been provisionally approved by the HS Committee, as well as those texts on which the Review Sub-Committee has reached consensus. The Secretariat believes that this document may facilitate the work of the Sub-Committee. The amendments in question are reproduced below.

Headings 84.42 and 84.43 (Annex M/3 to Doc. NC0655E2)

2. The Committee provisionally adopted the following texts approved by the Sub-Committee.

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CHAPTER 84.

Heading 84.42. Heading text.

Delete and substitute :

“Machinery, apparatus and equipment (other than the machine-tools of headings 84.56 to 84.65) for preparing or making plates, cylinders or other printing components; plates, cylinders and other printing components; plates, cylinders and lithographic stones, prepared for printing purposes (for example, planed, grained or polished).”

Subheadings 8442.10 and 8442.20.

Delete these subheadings.

Subheading 8442.30.

Delete “Other machinery” and substitute “Machinery”.

Subheading 8442.50.

Delete and substitute :

“8442.50 - Plates, cylinders and other printing components; plates, cylinders and lithographic stones, prepared for printing purposes (for example, planed, grained or polished)”.

Heading 84.43. Heading text.

Delete “**printing type, blocks,**”.

3. The Review Sub-Committee also examined proposals for legal text changes to headings 85.19, 85.20 and 85.28, reaching consensus on some points and placing other proposals in square brackets. The texts provisionally approved by the Sub-Committee, reproduced below, were then sent to the Working Group of the Review Sub-Committee for examination.

Heading 84.69 (Annex P/6 to Doc. NC0430E2)

4. In respect of heading 84.69, the Committee provisionally adopted the amendments set out in Annex E/6 to Doc. NR0165B2. These amendments are reproduced below.

Heading 84.69 and subheading 8469.1 to 8469.30.

Delete and substitute :

"84.69 8469.00 Typewriters other than printers of heading 84.71; word-processing machines."

Headings 85.19 and 85.20 (Annexes F/5 and F/9 to Doc. NR0332E3 (RSC/26 – Report))

5. The following text is reproduced from Doc. NR0423E1 (RSC/28). That document also provides the Secretariat's proposal for combining headings 85.19 and 85.20, as requested by the Informal Working Group on restructuring Section XVI.

Subheading 8519.10

6. The Sub-Committee decided to examine the possible new structured nomenclature for heading 85.19 on the basis of the Secretariat proposal (Option A) put forward in the Annex to Doc. NR0286B1. As the expression "juke-boxes" appeared to be in common usage in French-speaking trade circles, the Sub-Committee decided not to retain the alternative term "électrophones" in the French text. The Sub-Committee also deleted the word "other" in the phrase "other similar articles" as being redundant.
7. The Sub-Committee then decided to delete the term "(paper currency)" from the English text of this subheading, on the grounds that the term "banknotes", already used in other parts of the Harmonized System (heading 49.07, in particular), was sufficiently explicit for the articles concerned. In that connection, the **US** Delegate suggested inserting the expression "(paper currency)" after "banknotes" throughout the English version of the Explanatory Notes.

Subheading 8519.5

8. In drafting the text of subheading 8519.5, the Sub-Committee began by making a structural amendment to make it clearer that this subheading covered "Other sound reproducing apparatus using a laser reading system". The new wording was appropriate both in relation to the previous category, i.e., "juke-boxes" (subheading 8519.10), and with a view to proper alignment on the structured nomenclature provisionally adopted for heading 85.20.
9. While conceding that "pocket-size" apparatus was separately identified in the current structured nomenclature of heading 85.19, and that there was even a legal Note on the subject (Subheading Note 1 to heading 85.19), several delegates were of the opinion that a distinction between sound reproducing apparatus based on size could prove to be obsolete, and that the reference to "pocket" did not in fact reflect the manner in which electrical apparatus was used. Moreover according to one delegate, preliminary studies conducted by his administration tended to suggest that trade circles did not attach great importance to this distinction. These delegates therefore favoured deleting the subdivision for "pocket-size" apparatus in subheading 8519.5.
10. However, other delegates considered that the impact of this subheading on related proposals should be evaluated first. One delegate took the view that if this subheading were deleted, trade statistics would no longer reflect the very significant trade in so-called "pocket-size" apparatus, and this was an important point where the monitoring of trade was concerned.
11. The Sub-Committee finally decided to maintain the entire structured nomenclature of subheading 8519.5 in square brackets and invited administrations to consult the trade, particularly on the recommended criteria relating to the dimensions of apparatus.

Subheading 8519.60

12. The Sub-Committee decided to delete the term "record-players" from the text of subheading 8519.60. Consequently, it did not adopt the proposal that a new subheading (8519.80) be created for "combinations of two or more sound reproducing apparatus in a single housing" (see paragraph 14 of Doc. NR0315E1).

Subheading 8519.70

13. After a delegate had stressed the importance - in terms of the usefulness of statistical data - of the correlation between the one-dash subheadings and the functions performed by the apparatus, the Sub-Committee rejected the proposal that subheading 8519.70 be subdivided. At this point, a delegate suggested that the words "magnetic tape players" in subheading 8519.70 be replaced by "magnetic media players".
14. However, while stressing that these proposals remained provisional pending the examination of a comprehensive restructuring of Chapter 85, the Sub-Committee agreed to retain the expression "magnetic tape players" on a provisional basis.
15. The Sub-Committee agreed to place the entire text of heading 85.19 in square brackets and continue its discussions.
16. The following provisionally approved texts, as well as the texts placed in square brackets, are reproduced from Annex F/5 to Doc. NR0332E3, RSC/26 – Report.

[Heading 85.19.

Delete and substitute :

"85.19 Sound reproducing apparatus, not incorporating a sound recording device.

- 8519.10 - Juke-boxes operated by coins, banknotes, discs or similar articles
- Other sound reproducing apparatus using a laser reading system :

[8519.51 -- Pocket-size

8519.59 -- Other]

8519.60 - Turntables (record-decks)

8519.70 - Magnetic tape players

8519.90 - Other".]

17. At its 25th Session, the Sub-Committee examined the Secretariat's proposals for updating heading 85.20 to reflect technological developments and commercial realities. The Sub-Committee confirmed its acceptance of the new 4-digit heading text, and agreed that subheading 8520.20 should be retained. For the other subheadings, apart from subheading

8520.10 which had been deleted, the Sub-Committee agreed to examine the proposals put forward by **Canada** and the Secretariat at the next session, in the light of the decision to be taken by the Harmonized System Committee on the classification of MP3 players, and certain comments made during the session to the effect that the new structured nomenclature of heading 85.20 should achieve the dual objectives of deleting obsolete articles, and covering the new technologies by separately identifying products on the basis of the reading mode employed (magnetic readers, optical readers and those with built-in memory).

18. The Sub-Committee agreed to review the amendments to heading 85.20 at its next session, on the basis of a new document to be prepared by the Secretariat which would include the Secretariat's proposal, **Canada**'s proposal with the two options combined, a possible proposal from the **United States**, and any other proposals which Contracting Parties might care to submit.
19. In addition to the question of the classification of MP3 players by the Harmonized System Committee, and its repercussions for the new structured nomenclature of heading 85.20, one delegate indicated that pocket-size equipment using the new technologies, which was generating ever-increasing volumes of trade, should be considered for inclusion in the new structured nomenclature for this heading.
20. At its 26th Session, the Sub-Committee opted for the restructured Secretariat proposal, which was best suited to reflecting technological developments in the field of sound recording. One delegate argued that in the interests of harmonisation, the new structure of heading 85.20 should be aligned on the structures of headings 85.19, 85.23 and 85.24, which used the reading/playing system as the basis for distinguishing between the various types of apparatus at one-dash subheading level, beginning with apparatus based on an optical reading system before moving on to those based on magnetic media.
21. The Sub-Committee then agreed to delete the proposed one-dash subheading covering pocket-size apparatus, and to continue to study the possibility of giving separate status to pocket-size apparatus at the two-dash subheading level in order to maintain a balanced structure for this heading. The removal of pocket-size apparatus which had occupied new subheading 30, and the desire to harmonise the structures of headings 85.19, 85.20, 85.23 and 85.24, led the Sub-Committee to rearrange the structure of heading 85.20 by creating five one-dash subheadings for :
 - (a) telephone answering machines (8520.20);
 - (b) apparatus for recording sound onto optical media (8520.30);
 - (c) apparatus for recording sound onto magnetic media (8520.4);
 - (d) sound recording apparatus with built-in or interchangeable memory (8520.50);
 - (e) other sound recording apparatus.
22. As the members of the Sub-Committee were unable to agree on the texts of subheadings 8520.30, 8520.40 and 8520.50, the various drafting options proposed were placed in square brackets for examination at the next session.

23. The following provisionally approved texts, as well as those texts placed in square brackets, are reproduced from Annex F/9 to Doc. NR0332E3, RSC/26 – Report.

[Heading 85.20.

Delete and substitute :

"85.20 Sound recording apparatus, whether or not incorporating a sound reproducing device.

- 8520.20 - Telephone answering machines
- 8520.30 - Other sound recording apparatus, whether or not incorporating a sound reproducing device, for recording sound [using a laser reading/writing system] [onto optical media]
 - Other sound recording apparatus, whether or not incorporating a sound reproducing device, for recording sound onto magnetic [media] [tape] :
- 8520.41 -- Digital
- 8520.49 -- Other
- 8520.50 - Other sound recording apparatus, whether or not incorporating a sound reproducing device [, with built-in or interchangeable memory]
- 8520.90 - Other".]

Heading 85.28 (Annex F/10 to Doc. NR0332E3 (RSC/26 – Report))

24. The discussions concerning the revision of heading 85.28 were based on a proposal by the Egyptian Administration. Starting at RSC/24, these discussions have been ongoing and have generated proposals from many different administrations.
25. At its 25th Session, the Sub-Committee agreed that the current text of heading 85.28 should be maintained, since it covered all the relevant apparatus (television receivers of all kinds, video monitors and video projectors). It also agreed that the 2007 version of the Harmonized System should include subheadings for black and white television receivers and video monitors because, although less important in trade terms than colour apparatus, they still generated significant trade world-wide.
26. At its 26th Session, the Sub-Committee began the consideration of this question by opting for, as a starting point for its work, the amendment proposed by the Secretariat which was to be examined in relation to the other proposals by Japan, the United States and Canada.
27. In order not to upset the entire structure of this heading, the Sub-Committee agreed to cover satellite television receivers in a two-dash subheading under subheading 8528.1, which covers reception apparatus for television.

28. Accordingly, taking into account the Sub-Committee's decision, on the one hand, to cover satellite television receivers and other receivers characterised by the absence of a video display or screen and, on the other, to include all television receivers whatever the technology used, it was decided :
- (1) to create three two-dash subheadings under subheading 8528.1 to cover, respectively :
- reception apparatus for television not designed to incorporate a video display or screen;
 - other colour television reception apparatus;
 - other black and white or other monochrome television reception apparatus.
- These subdivisions thus make it possible to take into account the technological progress made in the field.
- (2) to provide a subheading Explanatory Note clearly and precisely defining satellite television receivers, so as to distinguish them from other receivers.
29. Finally, the Sub-Committee agreed that at its next session it would re-examine the revision of the structured nomenclature to this heading, which was left in square brackets, in the light not only of the comments made during the discussions but also of the views expressed during the February 2003 Working Group on the review of the high technology Chapters.

[Heading 85.28. Subheadings 8528.12 and 8528.13.

Delete and substitute :

"8528.11 -- Not designed to incorporate a video display or screen

8528.14 -- Other, colour

8528.15 -- Other, black and white or other monochrome".]

II. CONCLUSION

30. The Sub-Committee is invited to consider the above-mentioned legal text amendments to the high technology products area which have been provisionally approved by the Committee, as well as the texts for which the Review Sub-Committee has reached consensus, when it continues its discussions on the relevant proposals in this area.
31. The Sub-Committee is specifically invited to finalise its work with regard to the amendment of the structured nomenclature to heading 85.28 set out in paragraph 29 above.