



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

-
25th Session
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NR0214E1
(+ Annexes I to VIII)

O. Eng.

Brussels, 28 January 2002.

POSSIBLE AMENDMENTS TO THE NOMENCLATURE
REGARDING THE CLASSIFICATION OF CAMERAS

(Item III.A.4 on Agenda)

Reference documents :

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

I. BACKGROUND

1. At its 24th Session, the Review Sub-Committee continued its examination of the future classification of cameras based on a combined **Canadian**/Secretariat proposal which the Sub-Committee had requested the Secretariat to draft.
2. The **Canadian** Delegate informed the Sub-Committee that **Canada** understood that only three concerns had been raised regarding the **Canadian** proposal. Although digital cameras were undoubtedly electrical, they would not be the first electrical products to fall in Chapter 90 because of their function. Consequently, this would not be a precedent. As for the possibility of a transfer of goods from Chapters 84 and 85, **Canada** did not believe that the examples cited would ever be considered cameras and, therefore, no transfer would be likely. Finally, industry seemed to have raised concerns unrelated to the purview of the Sub-Committee on which **Canada** chose not to comment.
3. The **Canadian** Delegate noted that Doc. NR0199E1 (the **ICC/JEITA** submission) referred to shutters and apertures as common elements of digital and photographic cameras.

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

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This raised a question as to whether the same goods were now classified in two headings based on end use. **Canada** would seek to confirm this point.

4. Several delegates spoke out during the discussions indicating that they were not opposed to the **Canadian** proposal and felt that the Sub-Committee should examine it. In such a case, these delegates felt that that if cameras were grouped in Chapter 90, then the Sub-Committee would have to examine the legal measures that would have to be adopted to effect this decision. Furthermore, heading 90.07 (cinematographic cameras) should also be considered in the context of such a regrouping.
5. Another delegate indicated his administration's preference to maintain the distinction in the HS between electronic and photographic equipment. Electronic plants produced digital cameras and the parts manufacturers considered themselves to be in the electronics industry and not in the photographic industry. The industry considered these parts to be electronics oriented and, for the most part, connectable to an automatic data processing machine. In addition, the output of digital cameras was often manipulated as data by the users. As a consequence, his administration felt that such cameras should be grouped in Chapters 84 and 85 with the products with which they were used.
6. Finally, one delegate indicated that, as these cameras were not optical equipment but, rather, electronic equipment, he felt that the Sub-Committee should look at the possibility of transferring cameras of headings 90.06 and 90.07 to heading 85.25, as the trend in the industry was towards cameras of this type.
7. One delegate informed the Sub-Committee that his administration could not support the proposal to group all cameras in heading 90.06. Apparatus classified under Section XVI were uniformly subject to its legal notes, for example, Note 3, so that they could be classified under appropriate headings within Section XVI. Apparatus not classified under Section XVI could not be subject to those notes. As a consequence, if cameras classified under Section XVI were transferred to Chapter 90, difficult classification problems would arise. In this context, he provided the example of the classification of certain telephone sets incorporating a video monitor and a video camera, called videophones. Under the current or 2002 versions of the HS, these videophones should be classified on the basis of function, by application of Note 3 to Section XVI and GIR 1, because telephone sets, video monitors and video cameras were all covered under Section XVI. However, if cameras of heading 85.25 were transferred to Chapter 90, Note 3 to Section XVI would not be applicable to these videophones. In such a situation, these videophones would be classified in heading 90.06 by application of GIR 1 because Note 1 (m) to Section XVI excluded articles of Chapter 90. In his view, these videophones should remain classified in Section XVI. By way of analogy, apparatus of Section XVI incorporating cameras would all be transferred to heading 90.06 by Note 1 (m) to that Section. For these reasons, his administration could not support the proposal to group all cameras in heading 90.06.
8. The **US** Delegate put the following draft text forward for subheading 9006.80 or 8525.40, depending on which heading the Sub-Committee chose for a regrouping of digital cameras :

"Digital cameras, whether or not recording, and digital camcorders; other video cameras, whether or not recording, including camcorders".

9. Finally, the Sub-Committee agreed that it would continue to look at the **Canadian** proposal and the **US** alternative text would be incorporated in a working document for the next session of the RSC. Administrations were invited to submit further proposals in writing to the Secretariat.

II. SECRETARIAT COMMENTS

10. Following the Sub-Committee's invitation to administrations to submit further proposals in writing to the Secretariat, the Secretariat has received a number of comments from administrations which can be found in Annexes I to VIII of this document.

III. CONCLUSION

11. The Sub-Committee is invited to take account of the summary of the discussions on this issue held during its 24th Session in paragraphs 1 to 10 above and the attached comments from administrations in the Annexes to this document when it examines this agenda item.

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NOTE FROM THE SOUTH AFRICAN ADMINISTRATION

1. "This administration has studied the new Secretariat proposal in this regard, and has the following comments to offer. It is not immediately apparent as to why the **US** or **Canadian** Administrations want to deviate from the original **Secretariat** proposal, whereby specific reference would be made with regard to so-called "digital cameras", in heading 85.25. It is common knowledge that the specific reference is for clarification purposes only, as heading 85.25 has always been considered to be appropriate to the classification hereof. As some administrations have encountered difficulties with this particular genus of merchandise, and the Explanatory Notes have not kept up with technological advances in this field, it is understood why that particular "amendment" was deemed to be necessary.
2. It would however appear to this administration to be an over-elaboration, to transfer all cameras resorting within heading 85.25 to heading 90.06. The result of such a transfer does not appear to warrant the exercise in the first instance. Heading 90.06 currently caters for "photographic cameras", whilst heading 85.25 currently caters for "television cameras, still image video cameras and other video camera recorders". These are two different kettles of fish altogether as they employ different technology, even though they both operate with optical systems. This administration cannot perceive as to the reason why there should be any difficulty in distinguishing between apparatus employing these different technologies, for classification purposes. Apart from the fact that it would make some form of "logical sense" to group all cameras together in one heading, from a practical perspective, this administration cannot see any enhancement to the Harmonized System.
3. It should also be borne in mind that heading 85.25 would be so depleted that its very existence could be questioned. There was a reason for differentiating between "video technology", and its consequent inclusion in Chapter 85, and "photography" which found its home in Chapter 90.
4. This administration would thus support the original Secretariat proposal for the 2002 amendments, with "digital cameras" being specifically mentioned, and the method of operation thereof being elaborated upon, within heading 85.25."

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NOTE FROM THE STATE CUSTOMS COMMITTEE
OF THE RUSSIAN FEDERATION

1. "The State Customs Committee of Russian Federation considered the Canadian proposal for a regrouping of all cameras including digital cameras, in heading 90.06 and finds it not advisable. Please find our comments below.
2. In the Encyclopaedia Britannica we find the following description : "Photography is the recording of visible images by light action on light-sensitive materials. The term usually refers to the formation of optical images projected by lens in a camera onto a film or other material carrying a layer of light-sensitive silver salts and the duplication and reproduction of such images by light action (printing); in an extended sense it also includes the formation of images by certain invisible radiations (ultraviolet and infrared rays) and images recorded in other sensitive materials not containing silver by means of chemical or physical processes or both. Related processes include the recording of images by X rays, electron beams, and nuclear radiations (radiography) and the recording and transmission of light images in the form of electromagnetic signals (television and videotape)."
3. We regard headings 90.06 and 90.07 as headings in which only cameras operating on traditional light-sensitive materials should be classified. Following the logic of the Canadian proposal, all cameras, operating with the processes listed in the abovementioned quotation should be grouped in one heading. From our point of view, this does not meet the purpose and principles of the HS.
4. The construction, principles of functioning and media for storing images of digital cameras (NR0199E1), videocameras, TV cameras shows that these apparatus are electrical and their main function is to transform a visual image into a form which can be stored on magnetic tape (disc), digital memories or transmitted by various means. The only common element of these cameras at issue and traditional photographic or cinematographic cameras is the optical system but not all devices incorporating optical elements are included in Chapter 90 (for example, "optical" dividing heads (heading 84.66), optical fibre cables of heading 85.44).
5. The Canadian proposal for regrouping of all electronic cameras in heading 90.06 does not meet the principle of classification of photographic (still image) and cinematographic (moving image) cameras in different headings, 90.06 and 90.07, respectively."

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NOTE FROM THE SENEGAL ADMINISTRATION

1. "It seems that this proposal, which is based on a logical approach, should be supported in so far as it is intended to simplify the classification of cameras, which has been made difficult by the constant changes taking place in the digital field.
2. Despite the technical opinions expressed, we remain convinced that, in this case, the classification of the goods should be based on their function.
3. However, the **Canadian** proposal could be improved, in particular by incorporating cinematographic cameras of tariff heading 90.07 in heading 90.06.
4. Moreover, we would like to invite the Review Sub-Committee to take all the corrective measures necessary to reconcile the terms of heading 90.06 with those of heading 85.25 and with the Notes to Chapter 90 (in particular, Note 1 (h)).
5. Accordingly, the (new) heading 90.06 could be organized as follows :

**"90.06 Cameras; photographic flashlight apparatus and flashbulbs
 other than discharge lamps of heading 85.39.**

- 9006.10 - Photographic cameras
- 9006.20 - Still image video cameras and other video camera recorders
- 9006.30 - Television cameras
- 9006.40 - Cinematographic cameras
- 9006.59 - Other
- 9006.69 - Photographic flashlight apparatus and flashbulbs".

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NOTE FROM THE CUSTOMS ADMINISTRATION OF PERU

1. "We would point out that the Harmonized System Nomenclature covers photographic instruments and apparatus in Section XVIII, Chapter 90 and, in particular, in the text of heading 90.06, photographic cameras, variants of whose essential parts characterize different types of cameras. These could be considered to include digital cameras in as much as the latter have the same use as (taking pictures) and elements in common with conventional cameras, such as optics, ergonomics and, among other things, the zoom lens, automatic focusing, flash and viewfinder, differing from ordinary cameras in having the film replaced by a photocell sensor (charge couple device or CCD). After filtering the colours red, green and blue, this converts the light into an electric signal which is stored in digital format (bits) in the camera's internal memory. Some of these cameras are also able to record sequences of images and sound for a very short period, one or two minutes. This capability is very limited and does not constitute their principal function.

2. Consequently, their classification in heading 90.06 should also be considered, particularly in view of the fact that one of the aims of the Nomenclature is to be simple and handy to use, which means that it would be desirable for all cameras to be grouped in the same heading and subdivided within that heading into various subheadings according to their particular characteristics (- Digital; - Other)."

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NOTE FROM THE MEXICAN ADMINISTRATION

On 31 October 2001, the Mexican Administration sent a note to the Secretariat indicating that it did not have any submission to make on this issue.

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NOTE FROM THE MOROCCAN ADMINISTRATION

On 24 October 2001, the Moroccan Administration sent a note to the Secretariat indicating that considered that cameras, including digital cameras, should be classified in heading 90.06.

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NOTE FROM THE STATE CUSTOMS COMMITTEE
OF THE REPUBLIC OF UZBEKISTAN

On 1 November 2001, the State Customs Committee of the Republic of Uzbekistan sent a note to the Secretariat indicating its support for the Canadian proposal for a regrouping of all cameras, including digital ones, in heading 90.06.

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NOTE FROM THE STATE CUSTOMS COMMITTEE
OF THE AZERBAIJAN REPUBLIC

“By functionally unifying the classification system, the classification of cameras in a single heading would be more effective from the implementation standpoint.

It is therefore important that the study of the comparison between the proposals concerning the classification of cameras of heading 90.06 and heading 84.42 be discussed at the Sub-Committee's next session.”
