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HARMONIZED SYSTEM
COMMITTEE
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O. Eng.

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STUDY CONCERNING THE POSSIBLE AMENDMENT
OF THE NOMENCLATURE WITH A VIEW TO CLARIFYING THE CLASSIFICATION
OF DIGITAL CAMERAS
(Item VIII.19 on Agenda)

Reference documents :

41.463 (HSC/20)
41.683 (HSC/20)
42.097 (HSC/21)
42.100, Annex IJ/12 (HSC/21 - Report)
42.449 (HSC/22)
42.750, Annex G/28 (HSC/22 - Report)

I. BACKGROUND

1. At its 22nd Session (November 1998), the Harmonized System Committee examined whether it would be appropriate to amend the legal texts with a view to clarifying the classification of digital cameras.
2. Some delegates were in favour of regrouping all digital cameras in heading 90.06. Mr. Kusahara, the former Director of Tariff and Trade Affairs, indicated that some digital cameras were capable of capturing and storing a series of images in rapid succession, therefore, he felt that flexibility was required for the possible regrouping of digital cameras in the future.
3. The Secretariat was instructed to pursue its study on the possible regrouping of digital cameras and the most appropriate heading(s) for such cameras. This study was to take account of the products on the market and to be completed within the next review cycle.

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II. SECRETARIAT COMMENTS

4. Acting on the Committee's instructions, the Secretariat has pursued the study on the possible regrouping of digital cameras and the most appropriate heading(s) for these cameras.
5. A survey of new digital cameras on the market shows that there is no need to change the four groups into which the Secretariat had previously divided these articles. The technological innovations are mainly related to improved resolution and have no influence on classification. The four groups of digital cameras are described below :
 - (1) Digital cameras which capture light images, convert them to digital electronic signals and then record such digital image data on internal media (built-in memory). These cameras can be connected directly or via cable to an ADP machine, which reproduces the images or stores the image data (e.g., "Nikon Coolpix 100", see Annex A to Doc.42.452).
 - (2) Digital cameras which capture light images, convert them to digital electronic signals and then record such digital image data on removable media (e.g., diskettes). The images can be reproduced by inserting the media into an ADP machine. These cameras cannot be connected to an ADP machine (e.g., "Sony Smart Mavica MVC-FD7", see Annex B to Doc. 42.452).
 - (3) Hybrids of types (1) and (2): digital cameras which capture light images, convert them to digital electronic signals and then record such digital image data on internal or removable media (built-in memory or diskettes). The images can be reproduced either by connecting the camera to an ADP machine via cable or by inserting the removable media into the ADP machine (e.g., "HP PhotoSmart", see Annex B to Doc. 42.452).
 - (4) Digital cameras which capture light images, convert them to digital electronic signals and then record such digital image data on internal or removable media (built-in memory or diskettes). The images can be reproduced by connecting the camera to a video monitor (or TV), an ADP machine, or by inserting the media in the ADP machine (e.g., "Casio LCD Digital Camera QV-10"). This type of digital cameras can produce both video signals (e.g., NTSC) and computer readable image data.
6. With a view to clarifying the possible regrouping of digital cameras, it is first necessary to examine their present classification.
7. Digital cameras capture images which they convert into digital data and then record the data in coded form on media, which are either internal or removable. Since images contain information, the Secretariat feels that the process of converting images into digital data which is then recorded in coded form on media could, in principle, be considered as transcribing data onto data media in coded form. Consequently, cameras which perform this function could be regarded as "machines for transcribing data onto data media in coded form". Such machines are described in the second part of heading 84.71, however, with the additional caveat : "not elsewhere specified or included". The cameras of group (1), (2) and (3) could, therefore, be classified in subheading 8471.90. The cameras of group (4) would, however, fall in subheading 8525.40 as still image video cameras.
8. Although three groups of digital cameras could be grouped together in heading 84.71, it might prove difficult to group all digital cameras in that heading given that still image video cameras would have to be deleted from heading 85.25. However, according to the terms of

heading 85.25, still image video cameras are also video camera recorders. The distinction between these two categories might not be very clear. Therefore, since the last part of heading 84.71 is a residual heading, the regrouping of all digital cameras in heading 85.25 might be a better solution. The term “digital cameras” could simply be added as a new category to heading 85.25. Subheading 8525.40 could be amended accordingly. Note 1 (h) to Chapter 90 would also have to be amended to read “still image video cameras and other video camera recorders; digital cameras (heading 85.25)”. No further amendments to the legal texts would seem necessary. These amendments are set out in the Annex to this document as Alternative I.

9. Since digital cameras use the same type of optical elements as photographic cameras, heading 90.06 is also a possible alternative. The expression “**still image video cameras and digital cameras**” could be added to heading 90.06. “Still image video cameras and digital cameras” could be provided for in new subheading 9006.70 and, accordingly, present subheading 9006.6 would have to be renumbered 9006.8. Consequently heading 85.25, subheading 8525.40 and Note 1 (h) to Chapter 90 would have to be amended. However, the dividing line between still image video cameras and video camera recorders might not be very clear. These possible amendments are set out as Alternative II in the Annex to this document.
10. The Secretariat leaves it to the Committee to decide whether to maintain the status quo or expand the scope of heading 84.71, 85.25 or 90.06.

III. CONCLUSION

11. The Committee is invited to exchange its views on this matter. Taking into account the Secretariat’s comments in paragraphs 4 to 9, the Committee is also invited to decide what further action should be taken.

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ANNEXE

AMENDEMENT EVENTUEL A APPORTER A LA NOMENCLATURE AFIN DE PRECISER
LE CLASSEMENT DES APPAREILS PHOTOGRAPHIQUES NUMERIQUES

(Point VIII.19 de l'ordre du jour)

ANNEX

POSSIBLE AMENDMENT OF THE NOMENCLATURE TO CLARIFY THE CLASSIFICATION
OF DIGITAL CAMERAS

(Item VIII.19 on Agenda)

PROCEDURE DE L'ARTICLE 16
AMENDEMENT DE LA NOMENCLATURE

SOLUTION N° 1

CHAPITRE 84

Note 1 e)

Insérer après "85.09" le texte suivant : "; appareils photographiques numériques n° 85.25".

CHAPITRE 85

N° 85.25.

Remplacer "**appareils de prise de vues fixes vidéo et autres caméscopes**" par "**appareils de prise de vues fixes vidéo et autres caméscopes; appareils photographiques numériques**".

N° 8525.40.

Nouvelle rédaction :

"8525.40 - Appareils de prise de vues fixes vidéo et autres caméscopes; appareils photographiques numériques".

CHAPITRE 90

Note 1 h).

Remplacer "les appareils de prise de vues fixes vidéo et autres caméscopes" par "les appareils de prise de vues fixes vidéo et autres caméscopes ainsi que les appareils photographiques numériques".

ARTICLE 16 PROCEDURE
AMENDMENTS TO THE NOMENCLATURE

ALTERNATIVE I

CHAPTER 84

Note 1 (e)

Insert the following text after "85.09": "; digital cameras of heading 85.25".

CHAPTER 85

Heading 85.25.

Delete "**still image video cameras and other video camera recorders**" and substitute "**still image video cameras and other video camera recorders; digital cameras**".

Subheading 8525.40.

Delete and substitute :

"8525.40 - Still image video cameras and other video camera recorders; digital cameras".

CHAPTER 90

Note 1 (h).

Delete "still image video cameras and other video camera recorders" and substitute "still image video cameras, other video camera recorders and digital cameras".

SOLUTION N° 2

CHAPITRE 85

N° 85.25.

Remplacer **“appareils de prise de vues fixes vidéo et autres caméscopes”** par **“caméscopes, autres que les appareils de prise de vues fixes vidéo et les appareils photographiques numériques”**.

N° 8525.40.

Nouvelle rédaction :

“8525.40 - Caméscopes, autres que les appareils de prise de vues fixes vidéo et les appareils photographiques numériques”.

CHAPITRE 90

Note 1 h).

Remplacer “les appareils de prise de vues fixes vidéo et autres caméscopes” par “les caméscopes, autres que les appareils de prise de vues fixes vidéo et les appareils photographiques numériques”.

N° 90.06.

Nouvelle rédaction :

“Appareils photographiques; appareils de prise de vues fixes vidéo et appareils photographiques numériques; appareils et dispositifs, y compris les lampes et tubes, pour la production de la lumière-éclair en photographie, à l'exclusion des lampes et tubes à décharge du n° 85.39”.

Nouveau n° 9006.70.

Insérer la nouvelle sous-position suivante :

“9006.70 - Appareils de prise de vues fixes vidéo et appareils photographiques numériques”.

Les n°s 9006.61, 9006.62 et 9006.69 deviennent respectivement les n°s 9006.81, 9006.82 et 9006.89

ALTERNATIVE II

CHAPTER 85

Heading 85.25.

Delete "**still image video cameras and other video camera recorders**" and substitute "**video camera recorders, other than still image video cameras and digital cameras**".

Subheading 8525.40.

Delete and substitute :

"8525.40 - Video camera recorders, other than still image video cameras and digital cameras".

CHAPTER 90

Note 1.-(h).

Delete "still image video cameras and other video camera recorders" and substitute "video camera recorders, other than still image video cameras and digital cameras".

Heading 90.06.

Delete and substitute:

"Photographic (other than cinematographic) cameras; still image video cameras and digital cameras; photographic flashlight apparatus and flashbulbs other than discharge lamps of heading No. 85.39."

New subheading 9006.70.

Insert the following new subheading 9006.70 :

"9006.70 - Still image video cameras and digital cameras".

Renumber subheadings 9006.61, 9006.62 and 9006.69 as 9006.81, 9006.82 and 9006.89, respectively.
