



HARMONIZED SYSTEM
COMMITTEE
-
23rd Session
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NC0073E1
(+ Annex)
O. Eng.

H2-2

Brussels, 20 April 1999.

PROPOSAL BY THE EC FOR THE SIMPLIFICATION OF HEADING 85.42

(Item VI.4 on the Agenda)

Reference Documents :

NR0029E1 (RSC/19)
NR0045E1 Annex D/15 (RSC/19 – Report)

BACKGROUND

1. At the 19th Session of the Review Sub-Committee, the EC put forward a proposal to simplify heading 85.42. Several delegates agreed that the EC's proposal concerning subheading 8542.10 would lead to an expansion of the scope of "smart cards" to include not only "smart cards" incorporating a monolithic integrated circuit but also those which incorporate a hybrid integrated circuit or an electronic microassembly.
2. One delegate, preferring the Secretariat's proposal, expressed doubt whether it was possible that a "smart card" could incorporate a hybrid integrated circuit or an electronic microassembly. As it was indicated by the EC Delegate that, according to information from the European Electronic Component Manufacturers Association, "smart cards" could incorporate any electronic integrated circuit, the Sub-Committee, after a brief discussion, agreed to adopt the EC proposal.
3. The Sub-Committee instructed the Secretariat to study the implications this change in scope for "smart cards" would have on the legal Notes and to report its findings to the HSC. Delegates requested that the Explanatory Notes be amended so as to reflect the fact that there are some "smart cards" that are still classified in other headings (e.g., 85.43). These amendments will be prepared for discussion at the next session of the Review Sub-Committee.

II. SECRETARIAT COMMENTS

4. The Secretariat is of the view that a new subheading note to Chapter 85 is required to clarify the point that "smart cards" can incorporate any electronic integrated circuit. The

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NC0073E1

Secretariat has drafted the following Subheading Note 2 and, should the Committee agree with the Secretariat, the note can be inserted before the text provisionally adopted by the Review Sub-Committee at its last meeting and contained in the Annex to the present document.

Section XVI.

CHAPTER 85.

1. New Subheading Note 2.

Insert the following Subheading Note 2 :

“2. For the purposes of subheading No. 8542.10, the term ““smart” cards” means cards which have embedded in them an electronic integrated circuit (e.g., microprocessor) of any type (e.g., monolithic, hybrid or microassembly) in the form of a chip and which may or may not have a magnetic stripe.”

III. CONCLUSION

5. The Committee is requested to rule on the text provisionally adopted by the Review Sub-Committee, taking into account the Secretariat’s comments in paragraph 4 concerning the new Subheading Note 2 to Chapter 85.

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x x

Annexe au Doc. NC0073B1
Annex to

(CSH/23/mai 99)
(HSC/23/May 99)

ANNEXE

PROPOSITION DE LA CE VISANT A SIMPLIFIER
LA NOMENCLATURE STRUCTUREE DU N° 85.42
(Point VI.3 de l'ordre du jour)

ANNEX

PROPOSAL BY THE EC FOR THE SIMPLIFICATION
OF HEADING 85.42
(Item VI.3 on Agenda)

PROCEDURE DE L'ARTICLE 16

A. AMENDEMENT DE LA NOMENCLATURE

CHAPITRE 85.

N°s 8542.1 à 8542.50.

Nouvelle rédaction :

- "8542.10 - Cartes munies d'un circuit intégré électronique ("cartes intelligentes")
 - Circuits intégrés monolithiques :
 - 8542.21 -- Numériques
 - 8542.29 -- Autres
 - 8542.60 - Circuits intégrés hybrides
 - 8542.70 - Micro-assemblages électroniques".

B. MODIFICATION DES NOTES EXPLICATIVES

CHAPITRE 85.

Page 1516. N°s 8542.1 à 8542.50.

Nouvelle rédaction :

- "8542.10 - **Cartes munies d'un circuit intégré électronique ("cartes intelligentes")**
 - **Circuits intégrés monolithiques :**
 - 8542.21 -- **Numériques**
 - 8542.29 -- **Autres**
 - 8542.60 - **Circuits intégrés hybrides**
 - 8542.70 - **Micro-assemblages électroniques".**
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ARTICLE 16 PROCEDURE

A. AMENDMENTS TO THE NOMENCLATURE

CHAPTER 85.

Subheadings 8542.1 to 8542.50.

Delete and substitute :

"8542.10 - Cards incorporating an electronic integrated circuit ("smart" cards)

- Monolithic integrated circuits :

8542.21 -- Digital

8542.29 -- Other

8542.60 - Hybrid integrated circuits

8542.70 - Electronic microassemblies".

B. AMENDMENTS TO THE EXPLANATORY NOTES

CHAPTER 85.

Page 1516. Subheadings 8542.1 to 8542.50.

Delete and substitute :

"8542.10 - **Cards incorporating an electronic integrated circuit ("smart" cards)**

- **Monolithic integrated circuits :**

8542.21 -- **Digital**

8542.29 -- **Other**

8542.60 - **Hybrid integrated circuits**

8542.70 - **Electronic microassemblies".**
