



HARMONIZED SYSTEM
COMMITTEE

-
25th Session
-

NC0225E1

O. Eng.

Brussels, 17 February 2000.

CLASSIFICATION OF FLASH ELECTRONIC STORAGE CARDS

(Item IX.15 on Agenda)

Reference documents :

42.448 (HSC/22)
NC0160E2, Annex G/17 (HSC/24 – Report)

I. BACKGROUND

1. At its 24th Session in October 1999, the Harmonized Systems Committee examined Doc. 42.448, “Possible Amendments to the Explanatory Note to Heading 84.71”. Following its discussion, the Committee requested the Secretariat to prepare separate documents for the classification of twelve product categories of which “flash electronic storage cards” is one (see Annex G/17 to Doc. NC0160E2). The Secretariat requested and received information on these products through the assistance of the International Chamber of Commerce. Having received no input from administrations, the following represents the Secretariat’s view on the classification of “flash electronic storage cards”.

II. SECRETARIAT COMMENTS

A. Description

2. The Secretariat has extracted the following description and applications of flash electronic storage cards (which may also be referred to as “memory cards”) from a folder received from one of the producers of these cards. Where necessary that information has been augmented by the Secretariat’s experience in this area.

File No. 2804

Solid-state, non-volatile storage device (known as a “memory card” or “flash electronic storage card”), consisting of a printed circuit board onto which are mounted (i) one or more flash memories (“FLASH E²PROM”) in the form of integrated circuits, (ii) a microcontroller in the form of an integrated circuit, (iii) a number capacitors and resistors, and (iv) a connecting socket. Data from an external source, such as navigation and global positioning systems, data collection terminals, portable scanners, medical monitoring appliances, audio recording apparatus, personal communicators (“pagers”), mobile phones and digital cameras, can be stored onto and read from the card once it has been connected to that particular appliance. The storage capacities of the cards range from 2 Mbits to 500 Mbits. The card only uses power from the appliances to which it is connected and requires no battery.

B. Classification

3. The Secretariat believes that flash electronic storage cards are classifiable in Section XVI. In this context it should be noted that the cards in some cases form a part of the appliances where they may be used, or are used as additional memory appliances in other cases. In both cases, however, the cards are removable, and their function is the same, i.e., storing data. One could, therefore, argue that the cards have an individual function.
4. Note 2 (a) to Section XVI stipulates that parts which are goods included in any of the headings of Chapters 84 and 85, are to be classified in their respective heading. The Secretariat considers that the cards may fall within the description of heading 85.43 (“electrical machines or apparatus, having an individual function, not specified or included elsewhere”), the Explanatory Note to that heading stipulating that the appliances of that heading must have individual functions, as described in the introductory provisions of the Explanatory Note to heading 84.79. Item (B) of the Explanatory Note to heading 84.79, on page 1423, provides the following description of appliances which are to be regarded as having “individual functions” :

“...devices which cannot perform their function unless they are mounted on another machine or appliance, or are incorporated in a more complex entity, provided that this function :

 - (i) is distinct from that which is performed by the machine or appliance whereon they are to be mounted, or by the entity wherein they are to be incorporated, and
 - (ii) does not play an integral and inseparable part in the operation of such machine, appliance or entity.”
5. The Secretariat considers that the cards at issue satisfy the above criteria, i.e., (i) the storing of data is a function distinct from the function performed by any of the appliances referred to in paragraph 2 above, to which the card is to be connected, and (ii) the storing of data does not play a part in the actual function of the appliances.
6. Based on the above considerations, the cards at issue could be classified in heading 85.43 (subheading 8543.89), by application of General Interpretative Rules 1 (Note 2 (a) to Section XVI and heading 85.43) and 6 (subheading 8543.89).
7. If, on the other hand, it is considered that the cards do not have a distinct function as described above, the Secretariat considers that Note 2 (b) to Section XVI would not be applicable, given the fact that the cards can be used in several machines or appliances, falling within different headings. Consequently, Note 2 (c) to Section XVI would be applicable, resulting in the classification of the cards in heading 85.48 (“electrical parts of machinery, not specified or included elsewhere in Chapter 85”), as parts not solely or principally suitable for use with a particular machine.

III. CONCLUSION

8. The Committee is invited to examine the classification of articles known as “flash electronic storage cards”, as described in paragraph 2 above, taking into account the comments of the Secretariat in paragraphs 3 to 7 above. It is also invited to indicate what further action should be taken with regard to this matter.
-