



HARMONIZED SYSTEM  
COMMITTEE

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26<sup>th</sup> Session  
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NC0330E1

O. Eng.

Brussels, 13 October 2000.

ADDENDUM TO DOC. NC0297E1

CLASSIFICATION OF THE "ENW-9500-FAST ETHERNET ADAPTER"

(Item VII.15 on Agenda)

Reference documents :

42.047 (HSC/21)	NC0250E2, Annex H/2 (HSC/25 – Report)
42.466, (HSC/22)	NC0297E1 (HSC/26)
42.750, Annex G/24 (HSC/22 - Report)	NC0305E1 (HSC/26)

I. BACKGROUND

1. After the preparation of Doc. NC0297E1, the Secretariat received further comments from the Customs Administration of Canada concerning the classification of the "Fast Ethernet Adapter". These comments are reproduced below.

II. NOTE BY CANADA

2. "Our administration has adopted the position that LAN apparatus is classified under heading 84.71 as "control and adapter units of ADP equipment". The primary function of this apparatus is to facilitate the interconnection of ADP machines to allow them to "communicate". As a result the "Fast Ethernet Adapter" should be classified under Chapter 84 rather than under Chapter 85 of the HS.

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3. Our position on the classification of these Ethernet Adapters differs from the Secretariat and other members of the Committee in that we do not view these LAN adapter circuit boards/cards as other units of ADP machines in subheading 8471.80 but rather view these circuit boards/cards as accessories under heading 84.73, suitable for use solely or principally with ADP machines of heading 84.71. These LAN adapter circuit boards/cards are installed inside the CPU of an automatic data processing machine. Heading No. 84.73 provides for "Parts and accessories ... suitable for use solely or principally with the machines of headings Nos. 84.69 to 84.72". The ENs to heading No. 84.73, page 1412, paragraph 2, state that "accessories covered by this heading are interchangeable parts or devices designed to adapt a machine for a particular operation, or to perform a particular service relative to the main function of the machine, or to expand its range of operations". Adapter boards are accessories that enable ADP machines to share and exchange data thereby adapting them to a particular function they could not otherwise perform. Based on the function performed by the "ENW-9500 Fast Ethernet Adapter" which is to allow an ADP machine to be connected to an Ethernet network, this device is an accessory for use solely or principally with an ADP machine. Consequently, this product should be classified under heading No. 84.73 and more precisely under subheading No. 8473.30 pursuant to GIR No. 1 and 6.
4. Our administration has difficulty in accepting the position that "parts or constituents of ADP systems" which have an individual function and extend the performance of a computer beyond its intrinsic or original function should be regarded as "units" of an ADP machine under heading 84.71.
5. Our administration views constituents of ADP systems which have an individual function and extend the performance of a computer beyond its intrinsic or original function as **accessories** of heading 84.73.
6. Accessories are defined as "additional or extra thing" (Concise Oxford Dictionary) "An object or device not essential in itself but adding to the beauty, convenience, effectiveness of something else" (Webster New Collegiate Dictionary).
7. Ethernet Adapters control the ability of the ADP machine to communicate with other machines but it does not directly affect the processing of data. This device clearly meets the definition of the word "accessories" and the terms set out in the Explanatory Notes to heading 84.73.
8. Our administration views the "Fast Ethernet Adapter" as an accessory to an ADP. The Fast Ethernet Adapter increases the range of operation of an ADP machine, as an accessory, it is not essential to the operation of an ADP machine. Therefore, the "Fast Ethernet Adapter" should be classified under heading 84.73, and subheading 8473.30 of the HS."

### III. CONCLUSION

9. The Committee is invited to take into consideration the comments received from Canada, as set out in paragraphs 2 to 7 above.
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