



HARMONIZED SYSTEM
COMMITTEE

-
27th Session

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NC0378E1
(+ Annexes I and II)
O. Fr.

H5-12

Brussels, 6 April 2001.

AMENDMENTS TO THE COMPENDIUM OF CLASSIFICATION OPINIONS
ARISING FROM THE CLASSIFICATION OF A VIDEO CARD, SOUND CARD
AND SOFTWARE THEREFOR
(Item VII.10 on the Agenda)

Reference documents :

42.467 (HSC/22)
42.750, Annex H/16 (HSC/22-Report)
NC0052E1 (HSC/23)
NC0074E1 (HSC/23)
NC0090E2, Annex H/13 (HSC/23-Report)

NC0160E2, Annex G/20 (HSC/24-Report)
NC0250E2, Annex H/4 (HSC/25-Report)
NC0305E1 (HSC/26)
NC0298E1 (HSC/26)
NC0340E2, Annex G/15 (HSC/26-Report)

I. BACKGROUND

1. At its 25th Session, in March 2000, the Harmonized System Committee examined the classification of a video card, sound card and software therefor.
2. As a result of that meeting, it was decided to classify the cards at issue in Chapter 84. However, as the Secretariat was asked to undertake a study aimed at drawing a dividing line between the units of heading 84.71 and the parts and accessories of heading 84.73, the Committee decided to postpone the final classification of these articles to a later session (see Annex H/4, paragraphs 4 and 5, to Doc. NC0250E2 - HSC/25, Report).
3. In the Committee's conclusions at its 26th Session in November 2000, it was pointed out that to be classifiable in heading 84.71 as a unit of automatic data processing machines, a unit must perform a data processing function, meet the criteria set by Note 5 (B) to Chapter 84, including those in the introductory paragraph, and not be excluded by the provisions of Note 5 (E) to the same Chapter.
4. The HSC classified the video card and sound card under examination in subheading 8471.80 as other units of automatic data processing machines.

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5. The Committee also decided that the software for the video card and sound card was classifiable in heading 85.24, by application of Note 6 to Chapter 85. However, it instructed the Secretariat to seek further information so as to determine the appropriate subheading.
6. Finally, the Secretariat was instructed to prepare two separate Classification Opinions for the video card and sound card; the exact classification of the software therefor would be mentioned in each of the Classification Opinions. The draft texts would initially be examined by the next preessional Working Party.

II. SECRETARIAT COMMENTS

7. With regard to paragraph 5 above, the video card and sound card installation software is presented on a floppy disc (see Annex I hereto).
8. Given that the floppy disc does not comprise sound and image recordings, but rather instructions permitting an ADP machine to display video images or to play back sound (the data to be processed for reproducing these phenomena usually being stored in the form of digital files on a hard disc), the Secretariat feels that the disc is classifiable in subheading 8524.91 by application of General Interpretative Rules 1 and 6.
9. The Secretariat has prepared the draft Classification Opinions in the light of this consideration.
10. In order to clarify the classification of the various products which have been the subject of the same Committee study, the Secretariat proposes preparing an additional Classification Opinion for the magnetic disc, so that each of these three Classification Opinions may contain a reference to the others.
11. The texts prepared by the Secretariat are set out at Annex II hereto.
12. Finally, the Secretariat would like to point out that, given that Note 6 to Chapter 85 has been amended under the 2002 version of the HS, it wonders whether or not the first paragraph the amended Note would apply to the articles in question. If not, the classification decisions taken under the HS 1996 may need reconsideration under the HS 2002. If the first paragraph of Note 6 to Chapter 85 does apply to the types of articles at issue, the Committee may wish to amend the relevant part of the Explanatory Notes with a view to clarifying the scope of the expression "apparatus for which they are intended".

III. CONCLUSION

13. The Committee is invited to examine the draft texts set out at Annex II hereto, taking account of the Secretariat's comments above, once they have been finalized by the preessional Working Party.

14. The Committee is also invited to consider the comments made by the Secretariat in paragraph 12 above with respect to the possible classification under the HS 2002.

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