



WORLD CUSTOMS ORGANIZATION
ORGANISATION MONDIALE DES DOUANES

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HARMONIZED SYSTEM
COMMITTEE
-
24th Session
-

NC0153E1
O. Eng.
H9-3

Brussels, 1 October 1999.

CLASSIFICATION OF VARIOUS ITEMS
OF NETWORKING EQUIPMENT (RESERVATION BY THE EC)

(Item VII.1 on Agenda)

Reference Documents :

41.140 (HSC/17)	40.926 (HSC/19)
40.260, Annex IJ/20 (HSC/17 – Report)	41.100, Annex H/1 (HSC/19 - Report)
40.695 (HSC/18)	42.430 (HSC/22)
40.600, (Annex IJ/3 (HSC/18 – Report°	42.750, Annex G/5 (HSC/22 – Report)
	NC0120e1

I. BACKGROUND

1. The Secretariat received, on 23 September 1999, the following Note from the Croatian Administration.

II. NOTE FROM THE CROATIAN ADMINISTRATION

2. “Regarding the Agenda for the 24th session of the Harmonized System Committee and, specifically, Item Nos. VII.1, VII.5 and VII.18, the Croatian Administration believes the following observations should be considered during the Committee’s deliberations:
3. The classification of certain machines being used in the telecommunication field or with automatic data processing (ADP) machines should be according to their function. For example, if the main function of a device called a “REPEATER” is actually to reinforce signals, and the function of the “AMPLIFIER” is covered by heading 85.18 (audio-frequency amplifiers), and in heading 85.43 (direct current amplifiers, middle- and high-frequency amplifiers), then amplifiers of digital signals have to be classified in heading 85.43.
4. Printed cards with built-in parts (e.g., a modem card built into an ADP machine) are classified according to the principle that a card with a function (for example, an amplifier, rectifier, modem, etc.) which is mentioned in a subheading, and which represents an

File No. 2618

incomplete machine but having the essential character of the complete machine, should be classified in its proper subheading. Cards for which the function cannot be determined are to be classified as parts of the machines for which they are intended. Based on this, the modem card for building into the ADP machine should be classified in subheading 8517.50.

5. Referring to the LAN issue, the question is whether LAN apparatus are telecommunication devices of heading 85.17 or ADP machines of 84.71. We conclude that heading 85.17 covers electrical machines for line telephony and line telegraphy, as well as, among other things, telecommunication apparatus with digital transmission (for digital line systems). If the function of some LAN apparatus is the actual telecommunication between ADP machines, then they are to be classified in heading 85.17 but, we repeat, each of those machines should be considered in detail separately.”

III. CONCLUSION

6. The Committee is invited to to take account of the above Note from the Croatian Administration when it examines Agenda items VII.1, VII.5 and VII.18.
