



HARMONIZED SYSTEM
REVIEW SUB-COMMITTEE

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19th Session

O. Eng.

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H11-3

Brussels, 15 February 1999 .

PROPOSAL BY THE EC FOR THE SIMPLIFICATION OF HEADING 85.42

(Item II.B.2 on the Agenda)

I. BACKGROUND

1. On 9 December 1998, the EC submitted the following proposal concerning the simplification of heading 85.42.

II. NOTE BY THE EC

"EC proposal for the simplification of HS heading 85.42

85.42 Electronic integrated circuits and microassemblies (unchanged) :

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

- Monolithic integrated circuits:

8542.21 -- Digital monolithic integrated circuits

8542.29 -- Other monolithic integrated circuits

8542.40 - Hybrid integrated circuits (unchanged)

8542.50 - Electronic microassemblies (unchanged)

8542.90 - Parts (unchanged)

Observations

2. This proposal is actually aimed at simplifying the Nomenclature. Its purpose is to simplify the present structure of the heading concerned as well as to adapt it to the needs of industry and trade world-wide.
3. In this context, the EC does not object to an eventual discussion of this proposal, in the framework of the current review of the Nomenclature annexed to the HS Convention, during the March 1999 session of the HS Review Sub-Committee, recognizing that to accept this new structure would also entail a modification of the Explanatory Notes concerned, which could be carried out at a later stage. The EC also believes that to accept this new structure

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of heading 85.42 would mean a significant simplification of the structures of national nomenclatures.

4. Basically, the semiconductor technologies (MOS, BiMOS, CMOS, BiCMOS, Ga-As, Bipolar, etc.) do not determine the product features and, therefore, do not help to classify them.
5. More and more of these devices are of mixed technologies and classification on the basis of technology is not possible.”

III. SECRETARIAT COMMENTS

6. The present structured nomenclature of heading 85.42 was derived on the basis of proposals made by the EC during the second HS review cycle and has been in effect from 1 January 1996. If, however, with the exception of “smart” cards, the different categories of monolithic digital integrated circuits cannot be readily identified by referring to semiconductor technologies (MOS, BiMOS, CMOS, BiCMOS, Ga-As, Bipolar, etc.), it would seem appropriate to group the monolithic digital integrated circuits together in one subheading, i.e., 8542.21, as suggested by the EC. The present subheading 8542.12 (“Cards incorporating an electronic integrated circuit (“smart” cards)”) could therefore be renumbered 8542.10, given that the latter subheading has not previously been used for statistical purposes.
7. The Secretariat would, however, draw the Sub-Committee’s attention to the fact that 2-dash subheading 8542.12 is a breakout from 1-dash subheading 8542.1 which reads “Monolithic digital integrated circuits”. Consequently, the Secretariat would suggest that the word “electronic” in the proposed text for subheading 8542.10 be replaced by the terms “monolithic digital” so that the text would read “Cards incorporating a monolithic digital integrated circuit (“smart” cards)”. Since one category of monolithic integrated circuits is already covered by subheading 8542.10, the Secretariat suggests that the term “other” be added to the text provided for 1-dash subheading 8542.2, which would then read “Other monolithic integrated circuits”. Furthermore, it is not necessary to repeat the terms “monolithic integrated circuits”; therefore, subheadings 8542.21 and 8542.29 would read “digital” and “other”, respectively. The Secretariat’s comments are reflected in the Annex attached to this document.
8. The Secretariat leaves it to the Sub-Committee to determine whether the EC proposal will simplify the present structure of heading 85.42.

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ANNEXE

PROJET D'AMENDMENT DE LA NOMENCLATURE
POUR LA SIMPLIFICATION DE LA
POSITION 85.42 HS
(Point II.B.2 de l'ordre du jour)

ANNEX

DRAFT AMENDMENT TO THE NOMENCLATURE
TO SIMPLIFY HEADING 85.42
(Item II.B.2 on the Agenda)

PROPOSITION DE LA CE

- 85.42 Circuits intégrés et micro-assemblages électroniques (inchangé)
- 8542.10 - Cartes munies d'un circuit intégré électronique ("cartes intelligentes")
 - Circuits intégrés monolithiques :
 - 8542.21 -- Circuits intégrés monolithiques numériques
 - 8542.29 -- Autres circuits intégrés monolithiques
 - 8542.40 - Circuits intégrés hybrides (inchangé)
 - 8542.50 - Micro-assemblages électroniques (inchangé)
 - 8542.90 - Parties (inchangé)

PROPOSITION DU SECRETARIAT

- 85.42 Circuits intégrés et micro-assemblages électroniques (inchangé)
 - 8542.10 - Cartes munies d'un circuit intégré monolithique numérique ("cartes intelligentes")
 - Autres circuits intégrés monolithiques :
 - 8542.21 -- Numériques
 - 8542.29 -- Autres
 - 8542.40 - Circuits intégrés hybrides (inchangé)
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PROPOSAL BY THE SECRETARIAT

85.42 Electronic integrated circuits and microassemblies (unchanged) :

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