

17 OCTOBER 2008

SUBJECT: COMMITTEE OF PARTICIPANTS ON THE EXPANSION OF TRADE IN INFORMATION TECHNOLOGY PRODUCTS

1. THE COMMITTEE OF PARTICIPANTS ON THE EXPANSION OF TRADE IN INFORMATION TECHNOLOGY PRODUCTS WILL HOLD ITS FIFTIETH MEETING ON 30 OCTOBER 2008 AT 10:00 A.M. IN THE CENTRE WILLIAM RAPPARD.

2. THE FOLLOWING ITEMS ARE PROPOSED FOR THE AGENDA:

- A. ELECTION OF CHAIRPERSON
- B. REVIEW OF THE STATUS OF IMPLEMENTATION OF THE MINISTERIAL DECLARATION ON TRADE IN INFORMATION TECHNOLOGY PRODUCTS (G/IT/1/REV.41)
- C. EMC/EMI PILOT PROJECT
  - DRAFT LIST OF TYPES OF CONFORMITY ASSESSMENT PROCEDURES FOR EMC/EMI USED BY ITA PARTICIPANTS (G/IT/W/17/REV.4)
- D. NON-TARIFF MEASURES WORK PROGRAMME (G/IT/19, G/IT/SPEC/Q4/19/REV.2 AND G/IT/SPEC/Q2/11/REV.1)
- E. DIVERGENCES IN CLASSIFYING INFORMATION TECHNOLOGY PRODUCTS (G/IT/14/REV.1/ADD.1, G/IT/W/6/REV.3, AND G/IT/W/11)
  - LIST V OF G/IT/W/6/REV.3 - ITEMS AND SPECIFIC QUESTIONS REFERRED TO THE COMMITTEE TO BE ADDRESSED (G/IT/W/15)
  - UPDATED SUMMARY OF DISCUSSIONS - LIST V (G/IT/W/20, JOB(07)/91/REV.1 AND JOB(07)/91/REV.1/CORR.1)
  - COMMUNICATION FROM THE WORLD CUSTOMS ORGANIZATION (WCO) CONCERNING THE CLASSIFICATION OF SET TOP BOXES (G/IT/26 + ADD.1 + ADD.2)
  - OTHER LISTS OF G/IT/W/6/REV.3
- F. PROPOSAL FROM THE EUROPEAN COMMUNITIES CONCERNING THE REVIEW OF THE INFORMATION TECHNOLOGY AGREEMENT (ITA) (G/IT/W/28)
- G. NEW PARTICIPANTS

H. DRAFT ANNUAL REPORT (2008) OF THE COMMITTEE TO THE COUNCIL FOR TRADE IN GOODS (G/IT/W/29)

I. OTHER BUSINESS

3. MEMBERS OF THE WTO, OTHER GOVERNMENTS WITH OBSERVER STATUS, AND INTERNATIONAL INTERGOVERNMENTAL ORGANIZATIONS GRANTED OBSERVER STATUS IN THE COMMITTEE ARE REQUESTED TO INFORM THE SECRETARIAT OF THE NAMES OF THEIR REPRESENTATIVES.

PASCAL LAMY

**Committee of Participants on the Expansion of Trade in  
Information Technology Products**

**STATUS OF IMPLEMENTATION**

Note by the Secretariat

Revision

*This document has been prepared under the Secretariat's own responsibility and without prejudice to the positions of Members and to their rights and obligations under the WTO*

1. As of 17 October 2008, the ITA had 44 participants (covering 71 Members and States or separate customs territories in the process of acceding to the WTO) representing approximately 97 percent of world trade in information technology products.

Albania	Guatemala	Malaysia	Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu Singapore Switzerland <sup>1</sup> Thailand Turkey Ukraine United Arab Emirates United States Viet Nam
Australia	Hong Kong, China	Mauritius	
Bahrain	Honduras	Moldova	
Canada	Iceland	Morocco	
China	India	New Zealand	
Costa Rica	Indonesia	Nicaragua	
Croatia	Israel	Norway	
Dominican Republic	Japan	Oman	
Egypt	Jordan	Panama	
El Salvador	Korea	Philippines	
European Communities <sup>2</sup>	Kyrgyz Republic	Saudi Arabia	
Georgia	Macao, China		

2. If the participant was a WTO Member at the time of their participation in the ITA, they were required to follow the procedures for the formal rectification and modification of schedules (Decision of 26 March 1980 on Procedures for Modification and Rectification of Schedules of Tariff Concessions, BISD 27S/25) pursuant to paragraph 2 of the Annex to the Ministerial Declaration. Thus, documents from the following 28 participants have been received and circulated pursuant to these procedures:

<sup>1</sup> On behalf of the customs union Switzerland and Liechtenstein.

<sup>2</sup> The schedule of the European Communities comprises the commitments of the 27 member states.

Australia	India	Philippines
Bahrain	Indonesia	Romania <sup>3</sup>
Bulgaria	Israel	Singapore
Canada	Japan	Switzerland <sup>3</sup>
Costa Rica	Korea	Thailand <sup>4</sup>
Egypt	Macao, China	Turkey
El Salvador	Malaysia <sup>4</sup>	United Arab Emirates
European Communities	Mauritius	United States
Hong Kong, China	New Zealand	
Iceland	Norway	

Of the above, El Salvador has indicated that implementation would begin after the completion of domestic legal procedural requirements.<sup>5</sup> Morocco and Panama have not yet submitted the formal documentation.

3. Albania, China, Croatia, Georgia, Jordan, the Kyrgyz Republic, Moldova, Oman, Saudi Arabia, the Separate Customs Territory of Taiwan, Penghu, Kinmen, and Matsu, Ukraine, and Viet Nam incorporated their commitments in their schedules annexed to their Protocols of Accession, and therefore it was not necessary to follow the procedures for rectification and modification of tariff schedules.

4. Letters of acceptance, in accordance with the provision of paragraph 10 of the Annex to the Declaration, have been received from all participants except eleven.

5. The following documentation, noted as being submitted under paragraph 2 above, has been formally certified by the Director-General:

Australia; Bahrain; Bulgaria; Canada; Costa Rica; Egypt; European Communities; Hong Kong, China; Iceland; India; Indonesia; Israel; Japan; Korea; Macao, China; Malaysia; Mauritius; New Zealand; Norway; Philippines; Romania; Singapore; Switzerland; Thailand; Turkey; United Arab Emirates; United States.

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<sup>3</sup> First rate reduction occurred on 31 December 1997

<sup>4</sup> First rate reduction occurred on 1 January 1998.

<sup>5</sup> Awaiting for domestic approval (G/MA/TAR/RS/45+Add.1). Bulgaria, India, Israel, Philippines, Switzerland, and Turkey which had also made such a notification, have subsequently notified that these procedural requirements have been completed.

# WORLD TRADE ORGANIZATION

G/IT/W/17/Rev.4  
16 October 2007

(07-4471)

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## Committee of Participants on the Expansion of Trade in Information Technology Products

### EMC/EMI PILOT PROJECT

#### Draft List of the Types of Conformity Assessment Procedures for EMC/EMI Used by ITA Participants

#### Note by the Secretariat<sup>1</sup>

#### Revision

At the Committee's formal meeting of 24 February 2005, the Secretariat was asked to draw up a list to categorize the type of assessment procedures adopted and used by each ITA participant. The list below has been drafted based on the information available as contained in G/IT/SPEC/Q4 series and compiled in G/IT/SPEC/Q4/19/Rev.2. Types of the conformity assessment procedures used by ITA participants are summarized below as (a) to (f) in descending order of complexity as per the Guidelines for EMC/EMI Conformity Assessment Procedures (G/IT/25), however, another category is added as (g) to specify those participants applying no mandatory assessment procedure:

- (a) Certification by a regulator or delegated entity – the equipment has to be submitted to the regulator or its delegated entity for certification.
- (b) Certification by 3<sup>rd</sup> party – the equipment has to be submitted to certification bodies recognized (or approved) by the regulator for certification.
- (c) Supplier's Declaration of Conformity (SDoC) type 1 – the supplier or manufacturer of the equipment declares the equipment meets the technical and administrative requirement. A testing laboratory recognized by the regulator tests the equipment and the supplier registers this equipment with the regulator.
- (d) Supplier's Declaration of Conformity (SDoC) type 2 - the supplier or manufacturer of the equipment declares the equipment meets the technical and administrative requirements on the basis of test reports by a testing laboratory recognized by the regulator. No registration of the equipment with the regulator is required.
- (e) Supplier's Declaration of Conformity (SDoC) type 3 – the supplier or manufacturer of the equipment declares the equipment meets the technical and administrative requirement. The supplier registers the equipment with the regulator. Testing of the equipment by recognized testing laboratory is not mandatory. If testing is undertaken, the choice of the testing laboratory rests with supplier or manufacturer.

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<sup>1</sup> This document has been prepared under the Secretariat's own responsibility and without prejudice to the positions of Members and to their rights and obligations under the WTO.

- (f) Supplier's Declaration of Conformity (SDoC) type 4 – the supplier or manufacturer of the equipment declares the equipment meets the technical and administrative requirement. Registration of the equipment with the regulator is not required and testing of the equipment by recognized testing laboratory is not mandatory. If testing is undertaken, the choice of the testing laboratory rests with supplier or manufacturer.
- (g) No mandatory assessment procedure.

The above is a generic description of the procedures. In practice, ITA participants may use different or alternative titles and names to describe their procedures, in such case, they are specified as relevant information.

Participant	Type of conformity assessment procedure adopted							Relevant Information:
	a	b	c	d	e	f	g	
Albania								Information not available.
Australia						x		Amongst the various different forms of EMC/EMI, only conducted and radiated limits of emissions are mandatory. The Technical Construction File (TCF) can be used in circumstances where it is not feasible to have the product tested.
Bahrain								Information not available.
Canada						x		Proof of compliance is required (to be made available upon request), but no registration/submission to industry Canada is required. Label requirements are mandatory.
China		x						
Costa Rica								Information not available.
Croatia								Information not available.
Dominican Republic						x		
Egypt								Information not available.
El Salvador						x		Only compliance with ITU standard is required.
European Communities						x		In some cases, the opinion of a 3 <sup>rd</sup> party needs to be sought, but only where a manufacture has not applied harmonised standards or these are not available.
Georgia								Information not available.
Guatemala								Information not available.

Participant	Type of conformity assessment procedure adopted							Relevant Information:
	a	b	c	d	e	f	g	
Hong Kong, China							x	However, manufactures or equipment suppliers should ensure that their products are in compliance with EMC requirements, which are based on CISPR 22.
Honduras		x						The procedure is called 'Approval of Telecommunications Equipment' and it applies to all equipment that is to be sold and used in telecommunications networks in Honduras. Suppliers cannot perform these procedures themselves; approval certificates from other internationally recognized approval bodies are accepted. They are based on OAS Inter-American Telecommunication Commission (CITEI) resolutions concerning the mutual recognition of equipment among administrations. <sup>2</sup>
Iceland								Information not available.
India		x						Information not available.
Indonesia								Information not available.
Israel								Information not available.
Japan				x				Mandatory requirements are limited to EMI as for the products covered by Electrical Appliance and Material Safety Law.
Jordan						x		
Korea								
Kyrgyz Republic	x							
Macao, China	x							Information not available.
Malaysia							x	
Mauritius		x						
Moldova								Information not available.
Morocco								Information not available.

<sup>2</sup> Source: G/IT/SPEC/Q4/26.



Participant	Type of conformity assessment procedure adopted							Relevant Information:
	a	b	c	d	e	f	g	
New Zealand						x		Supplier self-declaration and product labelling are required. Full mutual recognition with Australia applies to labelled products. Suppliers may perform these procedures, however, for Group 2 ISM and telecommunications terminal equipment (TTE), the test facility must be accredited by IANZ or by an accreditation body having a mutual recognition arrangement with IANZ.
Nicaragua								Information not available.
Norway						x		Norway follows the conformity assessment procedures according to Directive 89/336/EEC, Directive 73/23/EEC and Directive 1999/5/EC.
Oman								Information not available.
Panama								Information not available.
Philippines							x	
Saudi Arabia								Information not available.
Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu	x							There were 19 items of IT products announced as being applicable to the declaration of conformity procedure from January 2002, and this has increased to 30 items as of October 2005. However, product testing should be carried out by a designated testing laboratory recognized by the BSMI.
Singapore		x						Tests reports from accredited testing laboratories for conformity assessment of EM Interference for approval of telecommunication equipment.
Switzerland				x				On electromagnetic compatibility, a technical report or certificate issued by a competent assessment body is mandatory if the manufacture has not or partially used the harmonized standards as a base for the conformity assessment procedure. For radio transmitters and telecommunications terminal equipment, complementary conformity assessment procedures are required.

Participant	Type of conformity assessment procedure adopted							Relevant Information:
	a	b	c	d	e	f	g	
Thailand							x	
Turkey						x		However, if the supplier chooses not to apply harmonized standards or there are no harmonized standards, 3 <sup>rd</sup> party opinion is sought. <sup>3</sup>
United Arab Emirates								Information not available.
United States				x				
Viet Nam								Information not available

<sup>3</sup> Source: G/IT/SEPC/Q4/18.

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**Committee of Participants on the Expansion of Trade in  
Information Technology Products**

**CLASSIFICATION DIVERGENCES**

Note by the Secretariat

Revision

*This document has been prepared under the Secretariat's own responsibility and without prejudice to the positions of Members and to their rights and obligations under the WTO*

In order to proceed with work on Classification Divergences, it was requested at the formal meeting of 24 April 2003 that the Secretariat update these lists of products based on the latest report from customs experts (Informal Meeting of Customs Experts from ITA Participants to Discuss Classification Divergences, G/IT/14/Rev.1/Add.1). This latest revision reflects the Committee's discussions on 3 December 2004 and revises the information in G/IT/W/6 + Rev.1 + Rev.2.

The lists are set out as follows:

- (1A) those items where divergences were narrowed to one classification option,
- (1B) those items where divergences were narrowed to two or more possible classifications, and agreement was reached with respect to these classifications
- (2) those items where divergences were narrowed to two or more possible classifications, and there was not agreement on the classifications
- (3) those items which were to be sent to the World Customs Organization (WCO) Harmonized System Committee (HSC)
- (4) those items where no further progress could be achieved due to a number of circumstances, and
- (5) those items referred to this formal Committee to be addressed.

Participants may also wish to refer to documents G/IT/2 and G/IT/2/Add.1/Rev.1 which show the classifications that they had notified in their schedules for each Attachment B item.

Classifications indicated in **bold** were still outstanding issues noted by the Group.

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**I (A). DIVERGENCES WERE NARROWED TO ONE CLASSIFICATION OPTION**

1. 113- Quartz reactor tubes and holders designed for insertion into diffusion and oxidation furnaces for production of semiconductor wafers (702000)
2. 114- Chemical vapour deposition apparatus for semiconductor production (841989)
3. 115- Parts of chemical vapour deposition apparatus for semiconductor production (841990)
4. 125- Lasercutters for cutting contacting tracks in semiconductor production by laser beam (845610)
5. 126- Machines for sawing monocrystal semiconductor boules into slices, or wafers into chips (846410)
6. 141- Apparatus for physical deposition by sputtering on semiconductor wafers (854389)
7. 147- Physical deposition apparatus for semiconductor production (854389)
8. 148- Spinners for coating photographic emulsions on semiconductor wafers (847989)
9. 149- Part of apparatus for physical deposition by sputtering on semiconductor wafers (854390)
10. 151- Parts for spinners for coating photographic emulsions on semiconductor wafers (847990)
11. 158- Parts of physical deposition apparatus for semiconductor production (854390)
12. 162- Apparatus for rapid heating of semiconductor wafers (851430)
13. 164- Parts of apparatus for rapid heating of wafers (851490)
14. 181- Pattern generating apparatus of a kind used for producing masks or reticles from photoresist coated substrates (901720)
15. 182- Parts and accessories for pattern generating apparatus of a kind used for producing masks or reticles from photoresist coated substrates (901790)
16. 183- Parts of such pattern generating apparatus (901790)
17. 195- Monitors : display units of automatic data processing machines with a cathode ray tube with a dot screen pitch smaller than 0,4 mm not capable of receiving and processing television signals or other analogue or digitally processed audio or video signals without assistance of a central processing unit of a computer as defined in this agreement. The agreement does not, therefore, cover televisions, including high definition televisions. (847160)
18. 196- Optical disc storage units, for automatic data processing machines (including CD drives and DVD-drives), whether or not having the capability of writing/recording as well as reading, whether or not in their own housings. (847170)

**I (B). DIVERGENCES WERE NARROWED TO TWO OR MORE POSSIBLE CLASSIFICATIONS, AGREEMENT ON CLASSIFICATIONS REACHED**

1. 142- Apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays (842489, 846490, 847989)
2. 143- Die attach apparatus, tape automated bonders, and wire bonders for assembly of semiconductors (847989, 851580)
3. 146- Machines for bending, folding and straightening semiconductor leads (846221, 846229)
4. 150- Parts for die attach apparatus, tape automated bonders, and wire bonders for assembly of semiconductors (847990, 851590)
5. 168- Apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays (842489, 846490, 847989)
6. 191- Computers: automatic data processing machines capable of 1) storing the processing program or programs and at least the data immediately necessary for the execution of the program; 2) being freely programmed in accordance with the requirements of the user; 3) performing arithmetical computations specified by the user; and 4) executing, without human intervention, a processing program which requires them to modify their execution, by logical decision during the processing run. The agreement covers such automatic data processing machines whether or not they are able to receive and process with the assistance of central processing unit telephony signals, television signals, or other analogue or digitally processed audio or video signals. Machines performing a specific function other than data processing, or incorporating or working in conjunction with an automatic data processing machine, and not otherwise specified under Attachment A or B, are not covered by this agreement. (847110, 847130, 847141, 847149)
7. 194- Network equipment: Local Area Network (LAN) and Wide Area Network (WAN) apparatus, including those products dedicated for use solely or principally to permit the interconnection of automatic data processing machines and units thereof for a network that is used primarily for the sharing of resources such as central processor units, data storage devices and input or output units - including adapters, hubs, in-line repeaters, converters, concentrators, bridges and routers, and printed circuit assemblies for physical incorporation into automatic data processing machines and units thereof. (847180, 851750)
8. 198- Plotters whether input or output units of HS heading No 8471 or drawing or drafting machines of HS heading No 9017. (847160, 901710, 901720)
9. 200- Projection type flat panel display units used with automatic data processing machines which can display digital information generated by the central processing unit. (847160, 852830)

**II. DIVERGENCES WERE NARROWED TO TWO OR MORE POSSIBLE CLASSIFICATIONS, NO AGREEMENT ON CLASSIFICATIONS REACHED**

(there are currently no items on this list in this revision of the document)

**III. ITEMS TO BE SENT TO THE WCO HSC**

1. 203- Set top boxes which have a communication function: a microprocessor-based device incorporating a modem for gaining access to the Internet, and having a function of interactive information exchange. (851750, 852510, 852520, 852812)

**IV. ITEMS WHERE NO FURTHER PROGRESS COULD BE ACHIEVED DUE TO A NUMBER OF CIRCUMSTANCES**

1. 175- Optical stereoscopic microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles
2. 176- Photomicrographic microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles
3. 177- Parts and accessories of optical stereoscopic microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles
4. 178- Parts and accessories of photomicrographic microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles
5. 179- Electron beam microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles
6. 180- Parts and accessories of electron beam microscopes fitted with equipment specifically designed for the handling and transport of semiconductor wafers or reticles
7. 202- Multimedia upgrade kits for automatic data processing machines, and units thereof, put up for retail sale, consisting of, at least, speakers and/or microphones as well as a printed circuit assembly that enables the ADP machines and units thereof to process audio signals (sound cards). (847180, 847330)



V. ITEMS REFERRED TO THIS FORMAL COMMITTEE TO BE ADDRESSED

1. 122- Apparatus for stripping or cleaning semiconductor wafers (845691, 845699, 847989)
2. 129- Parts for machines for sawing monocrystal semiconductor boules into slices, or wafers into chips (846691, 846610, 846620, 846630)
3. 130- Parts of dicing machines for scribing or scoring semiconductor wafers (846691, 846610, 846620, 846630)
4. 133- Parts of lasercutters for cutting contacting tracks in semiconductor production by laser beam (846693, 846610, 846620, 846630)
5. 135- Parts of apparatus for stripping or cleaning semiconductor wafers (846693, 847990, 846620, 846630)
6. 139- Automated machines for transport, handling and storage of semiconductor wafers, wafer cassettes, wafer boxes and other material for semiconductor devices (842839, 842890, 847950, 847989)
7. 153- Parts of apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays (842490, 846691, 847990, 846620, 846630)
8. 154- Parts of automated machines for transport, handling and storage of semiconductor wafers, wafer cassettes, wafer boxes and other material for semiconductor devices (843139, 847990) (depends on the outcome of # 139)
9. 157- Parts of machines for bending, folding and straightening semiconductor leads (846694, 846610, 846620, 846630)
10. 166- Wafer probers (853690, 903082)
11. 169- Parts of apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays (842490, 846691, 847990, 846620, 846630)
12. 193- Flat panel display devices (including LCD, Electro Luminescence, Plasma, Vacuum-Fluorescence and other technologies) for products falling within this agreement, and parts thereof. (847149, 847160, 847330, 853120, 853180, 853190, 854389, 854390, 854890, 901380, 901390)
13. 197- Paging alert devices, and parts thereof (852520, 852790, 852910, 852990)
14. 199- Printed Circuit Assemblies for products falling within this agreement, including such assemblies for external connections such as cards that conform to the PCMCIA standard. Such printed circuit assemblies consist of one or more printed circuits of heading 8534 with one or more active elements assembled thereon, with or without passive elements "Active elements" means diodes, transistors, and similar semiconductor devices, whether or not photosensitive, of heading 8541, and integrated circuits and micro assemblies of heading 8542. (841990, 842191, 842490, 843139, 846691, 846693, 846694, 847150, 847180, 847310, 847321, 847329, 847330, 847340, 847350, 847790, 847990, 850490, 851440, 851490, 851590, 851750, 851780, 851790, 851890, 852290, 852390, 852491, 852812, 852990, 853190, 853890, 854389, 854390, 854890, 900990, 901090, 901190, 901290, 901390, 901790, 902690, 902790, 903090, 903190)

15. 201- Proprietary format storage devices including media therefor for automatic data processing machines, with or without removable media and whether magnetic, optical or other technology, including Bernoulli Box, Syquest, or Zipdrive cartridge storage units (847170, 852311, 852312, 852313, 852320, 852390, 852431, 852439, 852440, 852491, 852499)
  16. 137- Encapsulation equipment for assembly of semiconductors (847710, 847740, 847759, 847989)
  17. 138- Parts of encapsulation equipment (847790, 847990)
  18. 144- Encapsulation equipment for assembly of semiconductors (847710, 847740, 847759, 847989)
  19. 155- Parts of encapsulation equipment for assembly of semiconductors (847790, 847990)
  20. 192- Electric amplifiers when used as repeaters in line telephony products falling within this agreement, and parts thereof (851750, 851780, 851790, 851840, 851890)
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**Committee of Participants on the Expansion of Trade in  
Information Technology Products**

**CLASSIFICATION DIVERGENCES**

List V of G/IT/W/6/Rev.3 - Items and Specific Questions Referred  
to the Committee to be Addressed

Note by the Secretariat

*This document has been prepared under the Secretariat's own  
responsibility and without prejudice to the positions of Members  
and to their rights and obligations under the WTO*

At the Committee's meeting of 3 December 2004, the Secretariat was asked to prepare a document that would further assist participants in their discussions of the items in document G/IT/W/11 (List V of G/IT/W/6/Rev.2). In particular, participants requested that the document contain the specific questions posed by the Customs Experts Group to the Committee and a brief introduction.

Thus, the following list shows the items in List V of document G/IT/W/6/Rev.3 and the corresponding issue or question posed to this Committee. This document is based on the information contained in documents G/IT/W/6/Rev.3 and G/IT/14/Rev.1/Add.1.

The same numbering of the 20 items listed in List V of G/IT/W/6/Rev.3 is reproduced here for ease of reference. Classifications indicated in **bold** were still outstanding issues noted by the Customs Expert Group, whereas those not bolded were essentially agreeable by the Customs Expert Group at the technical level.

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1. 122- Apparatus for stripping or cleaning semiconductor wafers (845691, 845699, 847989)

The issue concerned 'wet' versus 'dry' processes. Also, there was concern whether 'etching' was synonymous with 'stripping' or not.

Question: Were the processes of 'etching' and 'stripping' synonymous?, thus were they two separate processes or one in the same?

Question: Were 'wet and dry' processes or only 'dry' processes covered by the description?

2. 129- Parts for machines for sawing monocrystal semiconductor boules into slices, or wafers into chips (846691, 846610, 846620, 846630)

Discussions focused on the issue of 'parts' versus 'accessories'. The group remained divided on whether items could be classified in 846610, 846620, and 846630 because the description of these HS classifications referred to specific items, in which some thought were accessories to the machines and not parts of the machines.

Question: Whether tool holders/work holders/dividing heads and other special attachments for machines for sawing monocrystal semiconductor boules into slices or wafers into chips should be covered under the ITA?

3. 130- Parts of dicing machines for scribing or scoring semiconductor wafers (846691, 846610, 846620, 846630)

The same question as number 2 above.

4. 133- Parts of lasercutters for cutting contacting tracks in semiconductor production by laser beam (846693, 846610, 846620, 846630)

The same question as number 2 above.

5. 135- Parts of apparatus for stripping or cleaning semiconductor wafers (846693, 847990, 846620, 846630)

The same question as number 2 above.

6. 139- Automated machines for transport, handling and storage of semiconductor wafers, wafer cassettes, wafer boxes and other material for semiconductor devices (842839, 842890, 847950, 847989)

Discussions focused on whether the machines covered by this description were a complete machine or involved separate processes in modular form. The group was not sure if the ITA description as drafted was meant to cover machines that only performed one or more function listed, or whether it had to perform all functions.

Question: Was it one machine that had to perform all the specific functions (transport, handling, and storage), or was it appropriate if the machine only performed one or two functions?

7. 153- Parts of apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays (842490, 846691, 847990, 846620, 846630)

The same question as number 2 above.

8. 154- Parts of automated machines for transport, handling and storage of semiconductor wafers, wafer cassettes, wafer boxes and other material for semiconductor devices (843139, 847990) (depends on the outcome of # 139)

Answer to the question under number 6 above would determine the outcome of this item as it refers to the respective host apparatus.

9. 157- Parts of machines for bending, folding and straightening semiconductor leads (846694, 846610, 846620, 846630)

The same question as number 2 above.

10. 166- Wafer probers (853690, 903082)

Discussions focused on whether the products covered by this description were the wafer prober apparatus, or just the tip.

Question: Whether it was the entire apparatus that was meant to be covered, or was it just the tip of the apparatus that was used to probe (usually in conjunction with other measuring devices)?

11. 169- Parts of apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays (842490, 846691, 847990, 846620, 846630)

The same question as number 2 above.

12. 193- Flat panel display devices (including LCD, Electro Luminescence, Plasma, Vacuum-Fluorescence and other technologies) for products falling within this agreement, and parts thereof. (847149, 847160, 847330, 853120, 853180, 853190, 854389, 854390, 854890, 901380, 901390)

Discussions focused on whether the description was meant to cover the complete monitors, flat panels, and/or only display units/devices.

Question: Was the description meant to cover finished products?, or if it also was meant to cover items in the semi-finished/component state?

13. 197- Paging alert devices, and parts thereof (852520, 852790, 852910, 852990)

Discussions did not reach agreement on the issue of a product called 'two-way pagers'. The group could not come to agreement on whether two-way pagers (ones that could send and receive messages) were covered by the ITA description. Some argued that pagers involved one-way communication, and thus this product was not covered.

Question: Whether the description covering "paging alert devices" was meant to cover items that were called "two-way pagers"?

14. 199- Printed Circuit Assemblies for products falling within this agreement, including such assemblies for external connections such as cards that conform to the PCMCIA standard. Such printed circuit assemblies consist of one or more printed circuits of heading 8534 with one or more active elements assembled thereon, with or without passive elements "Active elements" means diodes, transistors, and similar semiconductor devices, whether or not photosensitive, of heading 8541, and integrated circuits and micro assemblies of heading 8542. (841990, 842191, 842490, 843139, 846691, 846693, 846694, 847150, 847180, 847310, 847321, 847329, 847330, 847340, 847350, 847790, 847990, 850490, 851440, 851490, 851590, 851750, 851780, 851790, 851890, 852290, 852390, 852491, 852812, 852990, 853190, 853890, 854389, 854390, 854890, 900990, 901090, 901190, 901290, 901390, 901790, 902690, 902790, 903090, 903190)

Some took the view that only PCAs not covered elsewhere would be covered, whereas others were of the view that this description should be comprehensive and list all PCAs regardless of the coverage elsewhere in the ITA. As part of the discussion, the group identified for the relevant HS items where PCAs would be classified. For some items, PCAs were not relevant, whereas for others, the respective parts classification was typically the classification to use.

Question: Was it the comprehensive approach, i.e. identifying classifications of PCAs for all ITA products, necessary? or a more limited approach, i.e. identifying only items that were not already covered by the ITA elsewhere?

15. 201- Proprietary format storage devices including media therefor for automatic data processing machines, with or without removable media and whether magnetic, optical or other technology, including Bernoulli Box, Syquest, or Zipdrive cartridge storage units (847170, 852311, 852312, 852313, 852320, 852390, 852431, 852439, 852440, 852491, 852499)

The group was not sure about the coverage of the media, as covered, if separate from the apparatus or not.

Question: Was the associated media meant to be covered whether or not it was included in the device?

16. 137- Encapsulation equipment for assembly of semiconductors (847710, 847740, 847759, 847989)

Discussions continued on what was meant by 'encapsulation'. There was the issue of whether encapsulation was determined by the type of material—i.e. plastic, rubber, glass, ceramic, epoxy, etc...

Question: Was the description meant to cover 'encapsulation' by all different types of materials (plastic, rubber, glass, ceramic, epoxy, metal, etc...), and thus all the respective machines that perform encapsulation with the various materials (e.g. molding, thermoforming, welding, etc...)?

17. 138- Parts of encapsulation equipment (847790, 847990)

Answer to the question under number 16 above would determine the outcome of this item as it refers to the respective host apparatus.

18. 144- Encapsulation equipment for assembly of semiconductors (847710, 847740, 847759, 847989)

The same question as number 16 above.

19. 155- Parts of encapsulation equipment for assembly of semiconductors (847790, 847990)

Answer to the question under number 16 above would determine the outcome of this item as it refers to the respective host apparatus.

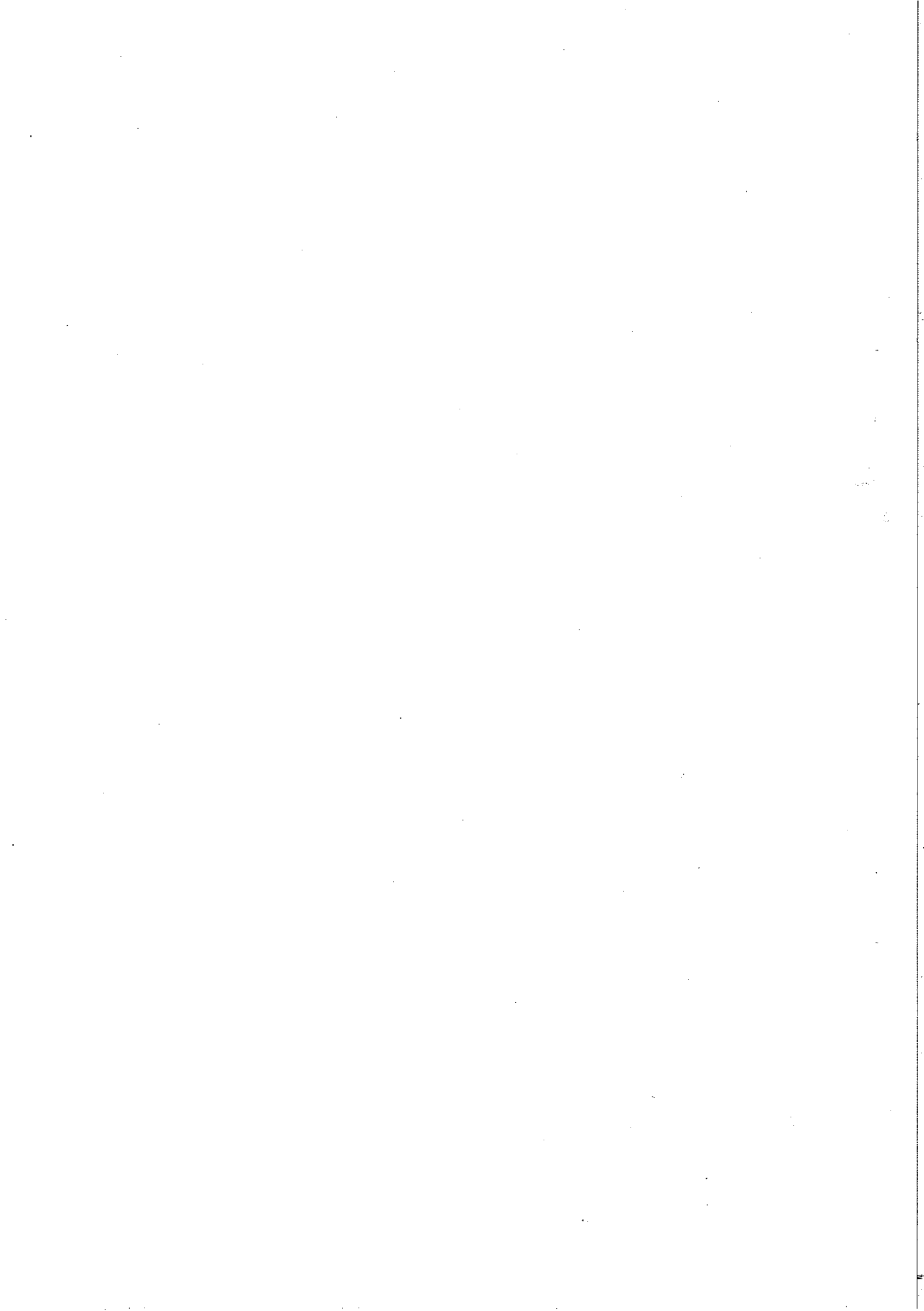
20. 192- Electric amplifiers when used as repeaters in line telephony products falling within this agreement, and parts thereof (851750, 851780, 851790, 851840, 851890)

Discussions continued on the issue of amplifiers, especially audio-frequency versus electric amplifiers. It was noted that one could not distinguish repeaters that were used in telephony only. Without imposing an end-use criteria, it would be difficult to identify only those products used in line telephony.

Question: Are all repeaters intended to be covered?, not only those used in line telephony only?

Question: If repeaters are limited to line telephony, how should one distinguish between those intended for different uses?

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# WORLD TRADE ORGANIZATION

G/IT/W/20  
13 March 2006

(06-1102)

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## Committee of Participants on the Expansion of Trade in Information Technology Products

### CLASSIFICATION DIVERGENCES

#### Updated Summary of Discussions – List V

##### Note by the Secretariat<sup>1</sup>

At the Committee's meeting of 20 October 2005, the Secretariat was asked to prepare an updated summary that would further assist participants in their discussions of all 20 items in document G/IT/W/15 (List V of G/IT/W/6/Rev.3 – Items and Specific Questions Referred to the Committee to be Addressed). In particular, participants requested that the document contain a qualitative analysis; indication of areas of convergence, divergence, or lack of engagement; and possible new questions, if relevant.

The following updated summary shows all 20 items of List V of document G/IT/W/15, including the original questions posed, the follow-up questions and the corresponding summary of the discussions. It is noted that both the discussions at the meetings of 24 February and 25 May 2005 as summarized in documents G/IT/W/16/Rev.1 and G/IT/W/18/Rev.1, and written submissions received thereafter were used to produce the updated summary.<sup>2</sup>

The summary consists of the contributions of seven participants; four were active in the discussions at the meeting and three submitted written comments thereafter.

The same sequential numbering of the 20 items listed in List V of G/IT/W/15 and G/IT/W/6/Rev.3 is reproduced here for ease of reference. Classifications indicated in **bold** were still outstanding issues noted by the Customs Expert Group, whereas those not in bold were essentially agreeable by the Customs Expert Group at the technical level.

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<sup>1</sup> This document has been prepared under the Secretariat's own responsibility and without prejudice to the positions of Members and to their rights and obligations under the WTO.

<sup>2</sup> As agreed at the meeting of 20 October 2005, delegations had until 30 November 2005 to submit comments in writing in order for them to be taken account in the summary.

1. 122- Apparatus for stripping or cleaning semiconductor wafers (845691, 845699, 847989)

*The issue concerned 'wet' versus 'dry' processes. Also, there was concern whether 'etching' was synonymous with 'stripping' or not.*

*Question: Were the processes of 'etching' and 'stripping' synonymous?, thus were they two separate processes or one in the same?*

- 4 delegations thought 'etching' and 'stripping' were different processes.
- 2 delegations did not answer the question.
- 1 delegation thought 'etching' and 'stripping' were synonymous with 'dry' processes.

*Question: Were 'wet and dry' processes or only 'dry' processes covered by the description?*

- 4 delegations thought 'dry' processes were covered by the description.
- 2 delegations did not answer the question.
- 1 delegation thought both 'wet' and 'dry' processes were covered by the description.

It was noted that item #142 covered 'wet' processes, so some thought it would be redundant that this item would also cover 'wet' processes, thereby implying it covered 'dry' processes. A majority (4) of participants had indicated the description covered 'dry' processes, with one indicating is also covered 'wet and dry' processes. There were a significant number of participants that thought 'etching' and 'stripping' were different processes, thus 'etching' processes would not be covered by this description, thus HS 845691 would be excluded. It is noted that item #123 covers 'machines for dry-etching patterns on semiconductor materials (HS 845691).

*New Question: Could the Committee agree that the description covered 'dry' processes and the products covered by this description would be classified in HS 845699 and 847989?*

At the Committee's meeting of 25 May 2005, three delegations thought 'dry' processes were covered by the description and this description would be classified in HS 845699 and 847989. Three delegations did not answer the question.

One delegation, in its recent submission, believed that the description covered by 'dry' process and the products covered by this description would be classified only in 845699, because 847989 was related to 'wet' processes.

2. 129- Parts for machines for sawing monocrystal semiconductor boules into slices, or wafers into chips (846691, 846610, 846620, 846630)

*Discussions focused on the issue of 'parts' versus 'accessories'. The group remained divided on whether items could be classified in 846610, 846620, and 846630 because the description of these HS classifications referred to specific items, in which some thought were accessories to the machines and not parts of the machines.*

*Question: Whether tool holders/work holders/dividing heads and other special attachments for machines for sawing monocrystal semiconductor boules into slices or wafers into chips should be covered under the ITA?*

- 3 delegations thought tool holders/work holders/dividing heads and other special attachments should be covered by the ITA.

- 2 delegations raised technical issues with respect to 'parts' and 'accessories' but indicated that the ITA should probably cover these items.
- 1 delegation thought they these items would not be covered as they were 'accessories'.
- 1 delegation did not give a clear answer to the question.

There were a majority of participants (5) who could accept that tool holders/work holders/dividing heads and other special attachments were covered by the ITA. While there was still the definitional aspect of 'parts' versus 'accessories', they agreed that these were items specialized to the functioning of the machines and should be covered, irrespective of the precise wording in the description. Therefore HS 846610, 846620, and 846630 would be applicable. One delegation did not agree with such an interpretation and thought the items concerned were clearly 'accessories' and therefore were excluded from ITA coverage; this implied that HS 846691 was the only relevant classification.

At the Committee's meeting of 25 May 2005, one delegation thought that if the ITA required that parts of certain apparatus be given ITA treatment, then the parts in subheadings 846610 to 846630 should be included. In a note subsequently provided to the Secretariat, this delegation explained that: "A good is not a part if: (1) it is a subsidiary device used in connection with machine-tools, such as interchangeable devices which modify the machine-tool so that it can perform a wider range of operations; or (2) it is a device which performs a particular service relative to the main function of the machine. The enumerated goods in the heading text (work or tool holders, dividing heads, etc.) are "parts" and not "accessories" because they are NOT subsidiary devices which allow for the machine to perform a wider range of operations. Instead, they are necessary components needed for the machine tool to operate. Each of the devices meeting the terms of subheadings 8466.10 through 8466.30 is specially engineered to allow the machines to perform their specialized function in manufacturing semiconductors. For example, the sawing machine could not saw a boule unless it had a specially designed tool-holder, nor a work holder to keep the boule from moving while being sawed. At its 30<sup>th</sup> Session, the Harmonized System Committee at the World Customs Organization (WCO) classified an electrostatic chuck used either solely or principally for plasma dry-etching machine (a machine of heading 84.56) to hold a semiconductor wafer as a part in heading 84.66, specifically in subheading 8466.20 by application of General Interpretative Rule 1 (Note 2(b) to Section XVI, dealing with the classification of parts) and General Interpretative Rule 6. See Annex H/13 to Doc. NC0655E2 (HSC/30/Nov. 2002). In examining this question, the Secretariat at the WCO referred back to its comments in the working document, Doc. NC0472E1, dealing with the ITA Committee's question on the issue of distinguishing parts from accessories within heading 8466. In paragraphs 11 and 12 of that working document, the Secretariat indicates that at the heading level, no distinction is made between the terms "parts" and "accessories". At the subheading level no reference is made to "parts" or "accessories". Subheading 8466.10 to 8466.30 mentions specific types of parts or accessories." One delegation thought accessories should not be covered. One delegation thought accessories when they were used for production of semiconductors could be classified as being covered in the ITA. Four delegations did not intervene at the meeting.

3. 130- Parts of dicing machines for scribing or scoring semiconductor wafers (846691, 846610, 846620, 846630)

*The same question and summary as number 2 above.*

4. 133- Parts of lasercutters for cutting contacting tracks in semiconductor production by laser beam (846693, 846610, 846620, 846630)

*The same question and summary as number 2 above.*

5. 135- Parts of apparatus for stripping or cleaning semiconductor wafers (846693, 847990, 846620, 846630)

*The same question and summary as number 2 above.*

6. 139- Automated machines for transport, handling and storage of semiconductor wafers, wafer cassettes, wafer boxes and other material for semiconductor devices (842839, 842890, 847950, 847989)

*Discussions focused on whether the machines covered by this description were a complete machine or involved separate processes in modular form. The group was not sure if the ITA description as drafted was meant to cover machines that only performed one or more function listed, or whether it had to perform all functions.*

*Question: Was it one machine that had to perform all the specific functions (transport, handling, and storage), or was it appropriate if the machine only performed one or two functions?*

- 3 delegations thought the description would cover both types of machines--machines that performed all the functions and machines that performed only one or two functions.
- 2 delegation indicated that both types of machines would be covered and the appropriate classifications were 842839 and 842890.
- 1 delegation thought the machines covered by the description had to perform all three of the functions to be covered; others would not be covered.
- 1 delegation did not directly answer the question, but noted that HS 842839 and 842890 would be appropriate, but not HS 847950 and 847989.

*New Questions: Does the Committee agree that the both types of machines (ones that perform all three functions and those that perform one or two functions) would be covered and were classified exclusively in HS 842839 and 842890?*

*If not, were either or both HS 847950 and 847989 relevant to the classification of both types of machines?*

At the Committee's meeting of 25 May 2005, six delegations restated their respective positions summarized above. However, one delegation further explained that "Item 139 articles are classified only in heading 8428, which provides for: "Other lifting, handling, loading or unloading machinery". The fact that the heading does not list "storage" does not mean that these automated machines are excluded. Any device that is handling, loading or unloading must be able to temporarily store the products being handled." It further believed that "the subheadings under heading 8479 are not appropriate. Robots for handling these ITA articles are dedicated to this purpose, and are not general-purpose robots of subheading 8479.50. Machinery for storing these articles incorporate devices to load and unload the storage unit, and thus are more specifically provided for in 8428 rather than in 8479.89."

One delegation, in its recent submission, answered positively to the new question.

7. 153- Parts of apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays (842490, 846691, 847990, 846620, 846630)

*The same question and summary as number 2 above.*

8. 154- Parts of automated machines for transport, handling and storage of semiconductor wafers, wafer cassettes, wafer boxes and other material for semiconductor devices (843139, 847990) (depends on the outcome of # 139)

*Answer to the question under number 6 above would determine the outcome of this item as it referred to the respective host apparatus. The Committee deferred discussion on this item pending the outcome of the discussions on number 6 above.*

9. 157- Parts of machines for bending, folding and straightening semiconductor leads (846694, 846610, 846620, 846630)

*The same question and summary as number 2 above.*

10. 166- Wafer probers (853690, 903082)

*Discussions focused on whether the products covered by this description were the wafer prober apparatus, or just the tip.*

*Question: Whether it was the entire apparatus that was meant to be covered, or was it just the tip of the apparatus that was used to probe (usually in conjunction with other measuring devices)?*

- 3 delegations thought the description was meant to cover both the apparatus and the tip.
- 1 delegation thought the description would just cover the 'tip'.
- 2 delegation thought the description covered the 'apparatus' only.
- 1 delegation did not answer the question.

There were a majority of participants (5) who believed that this description would include HS 853690 to cover classification of wafer prober 'tips'. One of these four however indicated that this description would exclude the classification of HS 903082 because the complete 'apparatus' was already covered elsewhere in the ITA, and thought the negotiators would not be redundant. One delegation did not agree with the view that 'tips' (HS 853690) were covered by the description and thought only HS 903082 was pertinent to cover the 'apparatus'.

*New Question: Could the Committee agree that this description covers only wafer prober tips, classified in HS 853690, as the complete apparatus was already covered in the ITA under Attachment A-2, #184 (HS 903082)?*

At the Committee's meeting of 25 May 2005, six delegations repeated their respective positions summarized above. One delegation did not intervene at the meeting.

11. 169- Parts of apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays (842490, 846691, 847990, 846620, 846630)

*The same question and summary as number 2 above.*

12. 193- Flat panel display devices (including LCD, Electro Luminescence, Plasma, Vacuum-Fluorescence and other technologies) for products falling within this agreement, and parts thereof. (847149, 847160, 847330, 853120, 853180, 853190, 854389, 854390, 854890, 901380, 901390)

*Discussions focused on whether the description was meant to cover the complete monitors, flat panels, and/or only display units/devices.*

*Question: Was the description meant to cover finished products?, or if it also was meant to cover items in the semi-finished/component state?*

- 2 delegations felt the description meant to cover both semi-finished products/components and finished products.
- 1 delegation commented that: "Descriptions of flat panel display devices differ according to producers of such devices and other manufactures who use the devices as a component in their products: According to the former, the devices are final products; according to the latter, the devices are components in a supply chain to be used in the manufacture of a product."
- 1 delegation, in its recent submission, stated that this description meant to cover the finished goods and their parts except flat panels for television.
- 3 delegations did not provide any view.

13. 197- Paging alert devices, and parts thereof (852520, 852790, 852910, 852990)

*Discussions did not reach agreement on the issue of a product called 'two-way pagers'. The group could not come to agreement on whether two-way pagers (ones that could send and receive messages) were covered by the ITA description. Some argued that pagers involved one-way communication, and thus this product was not covered.*

*Question: Whether the description covering "paging alert devices" was meant to cover items that were called "two-way pagers"?*

- 3 delegations felt that paging alert devices had two functions, both sending and receiving alert, and this description covered 'two-way pagers'.
- 2 delegations thought the description should not cover 'two-way pagers'.
- 2 delegations did not answer the question.

14. 199- Printed Circuit Assemblies for products falling within this agreement, including such assemblies for external connections such as cards that conform to the PCMCIA standard. Such printed circuit assemblies consist of one or more printed circuits of heading 8534 with one or more active elements assembled thereon, with or without passive elements "Active elements" means diodes, transistors, and similar semiconductor devices, whether or not photosensitive, of heading 8541, and integrated circuits and micro assemblies of heading 8542. (841990, 842191, 842490, 843139, 846691, 846693, 846694, 847150, 847180, 847310, 847321, 847329, 847330, 847340, 847350, 847790, 847990, 850490, 851440, 851490, 851590, 851750, 851780, 851790, 851890, 852290, 852390, 852491, 852812, 852990, 853190, 853890, 854389, 854390, 854890, 900990, 901090, 901190, 901290, 901390, 901790, 902690, 902790, 903090, 903190)

*Some took the view that only PCAs not covered elsewhere would be covered, whereas others were of the view that this description should be comprehensive and list all PCAs regardless of the coverage elsewhere in the ITA. As part of the discussion, the group identified for the relevant HS items where PCAs would be classified. For some items, PCAs were not relevant, whereas for others, the respective parts classification was typically the classification to use.*

*Question: Was it the comprehensive approach, i.e. identifying classifications of PCAs for all ITA products, necessary? or a more limited approach, i.e. identifying only items that were not already covered by the ITA elsewhere?*

- 2 delegations thought the comprehensive approach was more appropriate and all PACs were covered.
- 1 delegation indicated that it should be a limited approach, i.e. identifying only items that were not already covered by the ITA elsewhere.
- 2 delegations did not answer the question.
- 2 delegations, in their recent submissions indicated that considerations are required.

15. 201- Proprietary format storage devices including media therefor for automatic data processing machines, with or without removable media and whether magnetic, optical or other technology, including Bernoulli Box, Syquest, or Zipdrive cartridge storage units (847170, 852311, 852312, 852313, 852320, 852390, 852431, 852439, 852440, 852491, 852499)

*The group was not sure about the coverage of the media, as covered, if separate from the apparatus or not.*

*Question: Was the associated media meant to be covered whether or not it was included in the device?*

- 4 delegations thought the associated media was meant to be covered by the description whether it was included in the device or not, however, two of them could consider associated media as not being covered by this description, since all associated media covered by this description were already covered in Attachment A.
- 1 delegation, in its recent submission, supported including the separately presented proprietary media in this category.
- 2 delegations did not answer the question.

16. 137- Encapsulation equipment for assembly of semiconductors (847710, 847740, 847759, 847989)

*Discussions continued on what was meant by 'encapsulation'. There was the issue of whether encapsulation was determined by the type of material i.e. plastic, rubber, glass, ceramic, epoxy, etc...*

*Question: Was the description meant to cover 'encapsulation' by all different types of materials (plastic, rubber, glass, ceramic, epoxy, metal, etc...), and thus all the respective machines that perform encapsulation with the various materials (e.g. molding, thermoforming, welding, etc...)?*

- 5 delegations thought encapsulation by all different types of materials should be covered by the description.
- 2 delegations did not answer the question.

*New Question: Can the Committee agree that the description covers both the finished products and parts thereof?*

- 1 delegation, in its recent submission, thought that the description covers the finished products and parts thereof..

17. 138- Parts of encapsulation equipment (847790, 847990)

*Answer to the question under number 16 above would determine the outcome of this item as it refers to the respective host apparatus.*

18. 144- Encapsulation equipment for assembly of semiconductors (847710, 847740, 847759, 847989)

*The same question as number 16 above.*

19. 155- Parts of encapsulation equipment for assembly of semiconductors (847790, 847990)

*Answer to the question under number 16 above would determine the outcome of this item as it refers to the respective host apparatus.*

However, one delegation, in its recent submission, indicated that for all of these items, the issue was whether additional headings should be added to cover hypothetical processes and it had notified to all types of processes that were known to industry. It said that other delegations that would like to include other processes but had not provided any information as to what other types were used by industry.

20. 192- Electric amplifiers when used as repeaters in line telephony products falling within this agreement, and parts thereof (851750, 851780, 851790, 851840, 851890)

*Discussions continued on the issue of amplifiers, especially audio-frequency versus electric amplifiers. It was noted that one could not distinguish repeaters that were used in telephony only. Without imposing an end-use criteria, it would be difficult to identify only those products used in line telephony.*

*Question: Are all repeaters intended to be covered?, not only those used in line telephony only?*

- 1 delegation indicated that electric amplifiers when used as repeaters only in line telephony products were intended to be covered.
- 2 delegations indicated further consideration of this issued was required.
- 4 delegations did not answer the question.

*Question: If repeaters are limited to line telephony, how should one distinguish between those intended for different uses?*

- 2 delegations indicated further consideration of this issued was required.
- 5 delegations did not answer the question.

At the Committee meeting of 25 May 2005, one delegation noted that in the informal meeting of custom experts (G/IT/14/Rev.1/Add.1), it was recognized that some of the products covered by this description were being discussed at an ongoing court case and the issue of certain repeaters would be taken at WCO HSC. It would like to further consider this issue based on those results, and appreciated if any information concerned would be provided.

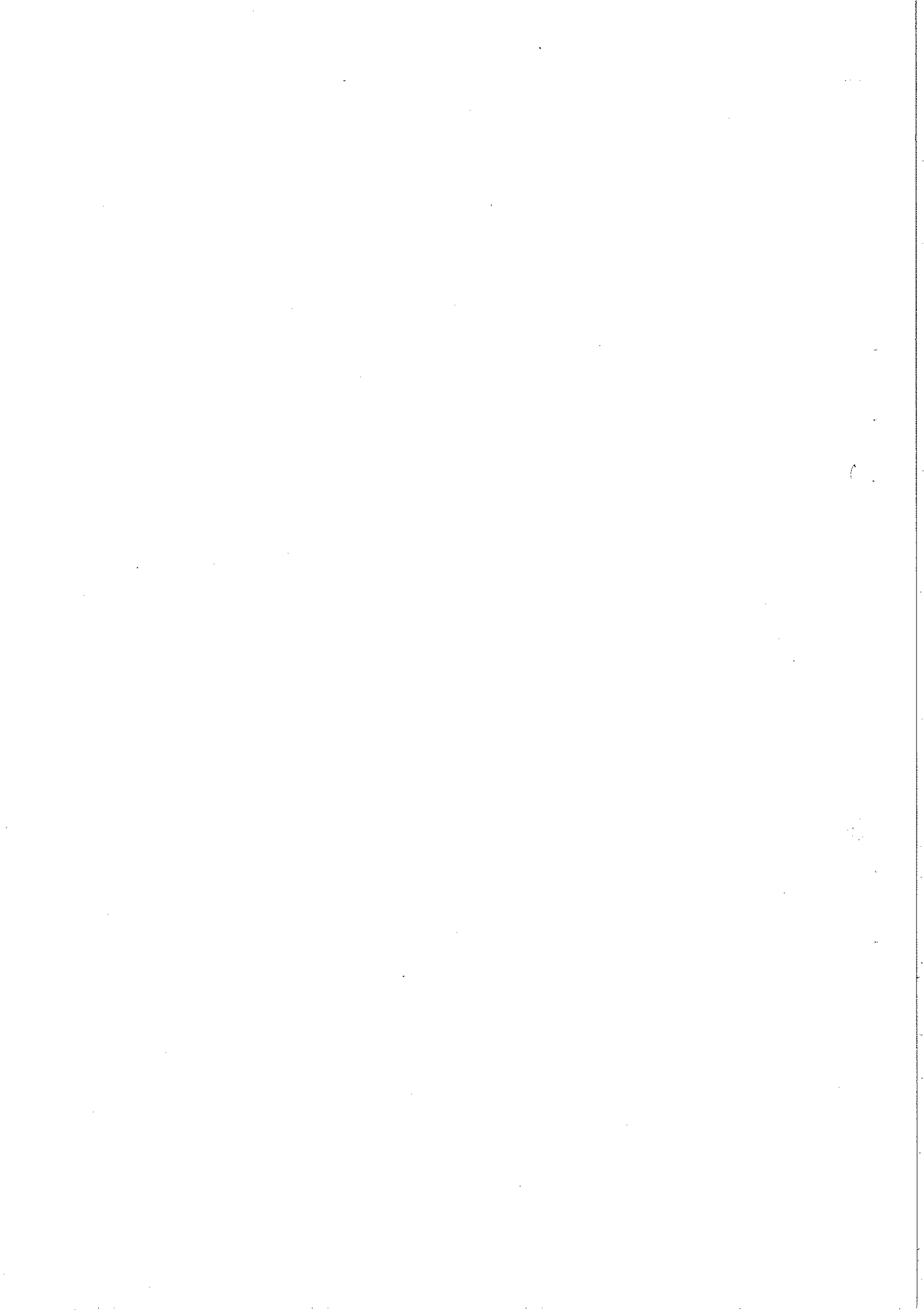
One delegation noted the difficulties faced by Customs in determining whether such repeaters were suitable for use solely or principally in line telephony at the time of importation.

One delegation, in its recent submission, stated that one delegation had originally asked that this item not be discussed as they had a pending case on this question. It said that the ITA item description was for "electric amplifiers" used in "line telephony products". No mention of LAN.



Therefore, issue of 8471 vs. 8517, was not present. Heading 8518 specifically described "electric amplifiers". Heading 8517 covered "electrical apparatus for line telephony or line telegraphy". Heading 8518 was a more specific heading than heading 8517. Even if the classification here could have not been resolved, based on language of headings 8517 & 8518, the product would be classified in one of those headings based on specificity. Heading 8543 would be precluded. In May 2002 the Harmonized System Committee put LAN repeaters in 8471, therefore that delegation should have removed its reference to 8517 & 8543, unless they had court case pending. It asked for an update from that delegation on this issue.

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**Committee of Participants on the Expansion of  
Trade in Information Technology Products**

**DIVERGENCES IN CLASSIFYING INFORMATION TECHNOLOGY PRODUCTS**

Summary of Discussions – List V: Categorization

Note by the Secretariat<sup>1</sup>

Draft

Revision

At the Committee meeting of 21 July 2006, the Secretariat was asked, if possible, to divide the 20 items listed in List V of G/IT/W/6/Rev.3 into two categories: i.e. one category for the items, for which convergence towards consensus is foreseeable, or in other words, there is a good prospect of finding a common interpretation; the other category for the rest of the items, where consensus is less foreseeable to be achieved.

In doing so, the Secretariat, in the annexed table, based on the discussions as summarized in G/IT/W/20, tries to give some thought to possible categorization of these items listed in List V with a view to facilitating the Committee in achieving the consensus on items that could be removed from List V to List I of G/IT/W/6/Rev.3.

Classification indicated in **bold** were still outstanding issues noted by the Customs Expert Group, whereas those not in bold were essentially agreeable by the Customs Expert Group at the technical level.

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<sup>1</sup> This note has been prepared under the Secretariat's own responsibility and without prejudice to the positions of Members and to their rights and obligations under the WTO. It was circulated as a room paper dated 30 October 2006.

## Category A: Items that convergence towards consensus is foreseeable and could be achieved

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Question posed	Answers already received from 7 participants	Answers expected from the rest of the participants
1.	122	Apparatus for stripping or cleaning semiconductor wafers (845691, 845699, 847989)			<p><i>Were the processes of 'etching' and 'stripping' synonymous? thus were they two separate processes or one in the same?</i></p> <p><i>Were 'wet and dry' processes or only 'dry' processes covered by the description?</i></p>	<p>5 participants thought 'etching' and 'stripping' were different processes.</p> <p>2 participants did not answer the question.</p> <p>2 participants thought 'etching' and 'stripping' were synonymous with 'dry' processes.</p> <p>4 participants thought 'dry' processes were covered by the description.</p> <p>2 participants did not answer the question.</p> <p>2 participants thought both 'wet' and 'dry' processes were covered by the description</p>	<p>There was a majority position among those participants that had contributed to the early discussions.</p> <p><i>What would be the view of the rest of the participants?</i></p> <p><i>Would the rest of the participants like to join the majority position?</i></p>

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Question posed	Answers already received from 7 participants	Answers expected from the rest of the participants
					<p><i>Could the Committee agree that the description covered 'dry' processes and that the products covered by this description would be classified in HS 845699 and 847989?</i></p>	<p>1 participant, in its recent submission, indicated that only wet process was covered by the description.</p> <p>3 participants thought 'dry' processes were covered by the description and this description would be classified in HS 845699 and 847989.</p> <p>4 participants did not answer the questions.</p> <p>1 participant believed that the description covered by 'dry' process and the products covered by this description should be classified only in 845699, because 847989 was related to 'wet' processes.</p> <p>1 participant, in its recent submission, indicated that only wet process was covered by the HS.</p>	

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Question posed	Answers already received from 7 participants	Answers expected from the rest of the participants
2	129	Parts for machines for sawing monocrystal semiconductor boules into slices, or wafers into chips (846691, <b>846610, 846620, 846630</b> )			<i>Whether tool holders/work holders/dividing heads and other special attachments for sawing monocrystal semiconductor boules into slices or wafers into chips should be covered under the ITA?</i>	<p>5 participants thought tool holders/work holders/dividing heads and other special attachments should be covered by the ITA.</p> <p>2 participants raised technical issues with respect to 'parts' and 'accessories' but indicated that the ITA should probably cover these items.</p> <p>1 participant thought that these items would not be covered as they were 'accessories'.</p> <p>1 participant did not give a clear answer to the question.</p>	<p>Apart from the definitional aspect of 'parts' versus 'accessories', there was a majority position among those who had contributed to the early discussions.</p> <p><i>What would be the view of the rest of the participants?</i></p> <p><i>Would the rest of the participants like to join the majority position?</i></p>
3.	130	Parts of dicing machines for scribing or scoring semiconductor wafers (846691, <b>846610, 846620, 846630</b> )			<i>The same question as List V number 2 above.</i>	The same as List V number 2 above.	The same as List V number 2 above, there was a majority position among those who had contributed to the early discussions.

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Question posed	Answers already received from 7 participants	Answers expected from the rest of the participants
4.	133	Parts of laser cutters for cutting contacting tracks in semiconductor production by laser beam(846693, 846610, 846620, 846630)			<i>The same question as List V number 2 above.</i>	The same as List V number 2 above.	<p><i>What would be the view of the rest of the participants?</i></p> <p><i>Would the rest of the participants like to join the majority position?</i></p> <p>The same as List V number 2 above, there was a majority position among those who had contributed to the early discussions.</p> <p><i>What would be the view of the rest of the participants?</i></p> <p><i>Would the rest of the participants like to join the majority position?</i></p>
5.	135	Parts of apparatus for stripping or cleaning semiconductor wafers (846693, 847990, 846620, 846630)			<i>The same question as List V number 2 above.</i>	The same as List V number 2 above.	The same as List V number 2 above, there was a majority position among those who had contributed to the early discussions.

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Question posed	Answers already received from 7 participants	Answers expected from the rest of the participants
7.	153	Parts of apparatus for wet etching, developing, tripping or cleaning semiconductor wafers and flat panel displays (842490, 846691, 847990, <b>846620, 846630</b> )			<i>The same question as List V number 2 above.</i>	The same as List V number 2 above.	<p><i>What would be the view of the rest of the participants?</i></p> <p><i>Would the rest of the participants like to join the majority position?</i></p> <p>The same as List V number 2 above, there was a majority position among those who had contributed to the early discussions.</p> <p><i>What would be the view of the rest of the participants?</i></p> <p><i>Would the rest of the participants like to join the majority position?</i></p>
9.	157	Parts of machines for bending, folding and straightening semiconductor leads (846694, <b>846610, 846620, 846630</b> )			<i>The same question as List V number 2 above.</i>	The same as List V number 2 above.	<p>The same as List V number 2 above, there was a majority position among those who had contributed to the early discussions.</p>



List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Question posed	Answers already received from 7 participants	Answers expected from the rest of the participants
11.	169	Parts of apparatus for wet etching, developing, stripping or cleaning semiconductor wafers and flat panel displays (842490, 846691, 847990, <b>846620, 846630</b> )			<i>The same question as List V number 2 above.</i>	The same as List V number 2 above.	<p><i>What would be the view of the rest of the participants?</i></p> <p><i>Would the rest of the participants like to join the majority position?</i></p> <p>The same as List V number 2 above, there was a majority position among those who had contributed to the early discussions.</p> <p><i>What would be the view of the rest of the participants?</i></p> <p><i>Would the rest of the participants like to join the majority position?</i></p>
10.	166	Wafer probers (853690, 903082)			<i>Whether it was the entire apparatus that was meant to be covered, or was it just the tip of the apparatus that was used to probe (usually in conjunction with other</i>	<p>4 participants thought the description was meant to cover both the apparatus and the tip.</p> <p>1 participant thought the</p>	<p>Among those who had contributed to the early discussions, there was a majority position.</p> <p><i>What would be the view</i></p>

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Question posed	Answers already received from 7 participants	Answers expected from the rest of the participants
					<p><i>measuring devices)?</i></p> <p><i>Could the Committee agree that this description covers only wafer prober tips, classified in HS 853690, as the complete apparatus was already covered in the ITA under Attachment A-2, #I84 (HS 903082)?</i></p>	<p>description would just cover the 'tip'.</p> <p>1 participant thought the description covered the 'apparatus' only.</p> <p>1 participant did not answer the question.</p> <p>1 participant, in its recent submission, indicated that the entire apparatus was meant to be covered.</p> <p>1 participant, in its recent submission indicated that the description should cover both apparatus and tip.</p> <p>6 participants repeated their respective positions summarized above.</p> <p>1 participant did not intervene at the meeting.</p> <p>2 participants, in their recent submissions, indicated that the</p>	<p><i>of the rest of the participants?</i></p> <p><i>Would the rest of the participants like to join the majority position?</i></p>

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Question posed	Answers already received from 7 participants	Answers expected from the rest of the participants
15.	201	Proprietary format storage devices including media therefor for automatic data processing machines, with or without removable media and whether magnetic, optical or other technology, including Bernoulli Box, Syquest, or Zipdrive cartridge storage units (847170, 852311, 852312, 852313, 852320, 852390, 852431, 852439, 852440, 852491, 852499)			<i>Was the associated media meant to be covered whether or not it was included in the device?</i>	<p>description covered both the entire apparatus and the wafer prober tips.</p> <p>4 participants thought the associated media was meant to be covered by the description whether it was included in the device or not, however, two of them could consider associated media as not being covered by this description, since all associated media covered by this description were already covered in Attachment A.</p> <p>1 participant, in its recent submission, supported including the separately presented proprietary media in this category.</p> <p>2 participants did not answer the question.</p> <p>1 participant, in its recent submission, agreed that the description should cover associate media,</p>	<p>To certain degree, there was a majority position among those who had contributed to the early discussions.</p> <p><i>What would be the view of the rest of the participants?</i></p> <p><i>Would the rest of the participants like to join the majority position?</i></p>

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Question posed	Answers already received from 7 participants	Answers expected from the rest of the participants
16	137	Encapsulation equipment for assembly of semiconductors (847710, 847740, 847759, 847989)			<p>1. <i>Was the description meant to cover 'encapsulation' by all different types of materials (plastic, rubber, glass, ceramic, epoxy, metal, etc...), and thus all the respective machines that perform encapsulation with the various materials (e.g. molding, thermoforming, welding, etc...)?</i></p> <p>2. <i>Can the Committee agree that the description covers both the finished products and parts thereof?</i></p>	<p>whether the latter was included in the device or not.</p> <p>1 participant, in its recent submission, joined the majority position.</p> <p>5 participants indicated that encapsulation by all different types of materials should be covered by the description.</p> <p>2 participants did not answer the question.</p> <p>2 participants, in their recent submissions, indicated that their position were similar to the 5 participants above.</p> <p>1 participant indicated that the description covers the finished products and parts thereof.</p> <p>2 participants, in their</p>	<p>There was a majority position among those participants that had contributed to the early discussions.</p> <p><i>What would be view of the rest of the participants?</i></p> <p><i>Would the rest of the participants like to join the majority position?</i></p>

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Question posed	Answers already received from 7 participants	Answers expected from the rest of the participants
17	138	Parts of encapsulation equipment (847790, 847990)			<i>Answer to the question under number 16 above would determine the outcome of this item as it refers to the respective host apparatus.</i>	The same as List V number 16 above.	There was a majority position among those participants that had contributed to the early discussions.  <i>What would be view of the rest of the participants?</i>  <i>Would the rest of the participants like to join the majority position?</i>
18	144	Encapsulation equipment for assembly of semiconductors (847710, 847740, 847759, 847989)			<i>The same question as List V number 16 above.</i>	The same as List V number 16 above.	There was a majority position among those participants that had contributed to the early discussions.  <i>What would be the view of the rest of the participants?</i>

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Question posed	Answers already received from 7 participants	Answers expected from the rest of the participants
19	155	Parts of encapsulation equipment for assembly of semiconductors (847790, 847990)			<i>Answer to the question under number 16 above would determine the outcome of this item as it refers to the respective host apparatus.</i>	The same as List V number 16 above.	<p><i>Would the rest of the participants like to join the majority position?</i></p> <p>There was a majority position among those participants that had contributed to the early discussions.</p> <p><i>What would be the view of the rest of the participants?</i></p> <p><i>Would the rest of the participants like to join the majority position?</i></p>

Category B: Items that convergence towards consensus is less foreseeable

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Questions posed	Answers already received	Answers are expected from the rest of participants
6.	139	Automated machines for transport, handling and storage of semiconductor wafers, wafer cassettes, wafer boxes and other material for semiconductor devices (842839, 842890, 847950, 847989)			<i>Was it one machine that had to perform all the specific functions(transport, handling, and storage), or was it appropriate if the machine only performed one or two functions?</i>	<p>3 participants thought the description would cover both types of machines-- machines that performed all the functions and machines that performed only one or two functions.</p> <p>2 participants indicated that both types of machines would be covered and the appropriate classifications were 842839 and 842890.</p> <p>2 participants thought the machines covered by the description had to perform all three of the functions to be covered; others would not be covered.</p> <p>1 participant did not directly answer the question, but noted that HS 842839 and 842890 would be appropriate, but</p>	<p><i>Can the participants who had contributed to the early discussions clarify their position again?</i></p> <p><i>What would be the view of the rest of the participants?</i></p>

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Questions posed	Answers already received	Answers are expected from the rest of participants
					<p><i>Does the Committee agree that the both types of machines (ones that perform all three functions and those that perform one or two functions) would be covered and were classified exclusively in HS 842839 and 842890?</i></p> <p><i>If not, were either or both HS 847950 and 847989 relevant to the classification of both types of machines?</i></p>	<p>not HS 847950 and 847989.</p> <p>1 participant, in its recent submission, indicated that the description covered both types of machines; all four HS classifications should therefore be covered under the ITA.</p> <p>7 participants restated their respective positions summarized above. However, one delegation further explained that "Item 139 articles are classified only in heading 8428, which provides for: "Other lifting, handling, loading or unloading machinery". The fact that the heading does not list "storage" does not mean that these automated machines are excluded. Any device that is handling, loading or unloading must be able to temporarily store the products being handled."</p>	



List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Questions posed	Answers already received	Answers are expected from the rest of participants
						<p>It further believed that "the subheadings under heading 8479 are not appropriate. Robots for handling these ITA articles are dedicated to this purpose, and are not general-purpose robots of subheading 8479.50. Machinery for storing these articles incorporate devices to load and unload the storage unit, and thus are more specifically provided for in 8428 rather than in 8479.89."</p> <p>1 participant, in its later submission, answered positively to this question.</p> <p>1 participant, in its recent submission, indicated that the description covered both types of machines; all four HS classifications should therefore be covered under the ITA.</p>	

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Questions posed	Answers already received	Answers are expected from the rest of participants
8.	154	Parts of automated machines for transport, handling and storage of semiconductor wafers, wafer cassettes, wafer boxes and other material for semiconductor devices (843139, 847990) (depends on the outcome of # 139)			No question posed under this item.	Answer to the question under number 6 above would determine the outcome of this item as it referred to the respective host apparatus. The Committee deferred discussion on this item pending the outcome of the discussions on List V number 6 above.	The Committee needs to clarify this point again once there is an outcome of the discussions on List V number 6 above. .
12.	193	Flat panel display devices (including LCD, Electro Luminescence, Plasma, Vacuum-Fluorescence and other technologies) for products falling within this agreement, and parts thereof. (847149, 847160, 847330, 853120, 853180, 853190 854389, 854390, 854890, 901380, 901390)			Was the description meant to cover finished products?, or if it also was meant to cover items in the semi-finished/component state?	2 participants felt the description meant to cover both semi-finished products/components and finished products.  1 participants commented that: " Descriptions of flat panel display devices differ according to producers of such devices and other manufactures who use the devices as a component in their products: According to the former, the devices are final products; according to the latter, the devices are components in a supply chain to be used	There was no majority position among those participated in the early discussions.  <i>Can the participants who had contributed to the early discussions clarify their position again?</i>  <i>What would be the view of the rest of the participants?</i>

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Questions posed	Answers already received	Answers are expected from the rest of participants
						<p>in the manufacture of a product."</p> <p>1 participant stated that this description meant to cover the finished goods and their parts except flat panels for television.</p> <p>3 participants did not provide any view.</p> <p>2 participants, in their recent submissions, considered that the description was meant to cover both semi-finished products/components and finished products.</p>	
13.	197	Paging alert devices, and parts thereof (852520, 852790, 852910, 852990)			<i>Whether the description covering "paging alert devices" was meant to cover items that were called "two-way pagers"?</i>	<p>3 participants felt that paging alert devices had two functions, both sending and receiving alert, and this description covered 'two-way pagers'.</p> <p>2 participants thought the description should not cover 'two-way pagers'.</p> <p>2 participants did not answer the question.</p>	<p>There was no majority position among those participated in the early discussions.</p> <p><i>Can the participants who had contributed to the early discussions clarify their position again?</i></p> <p><i>What would be the view of the rest of the participants?</i></p>

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Questions posed	Answers already received	Answers are expected from the rest of participants
14.	199	Printed Circuit Assemblies for products falling within this agreement, including such assemblies for external connections such as cards that conform to the PCMCIA standard. Such printed circuit assemblies consist of one or more printed circuits of heading 8534 with one or more active elements assembled thereon, with or without passive elements "Active elements" means diodes, transistors, and similar semiconductor devices, whether or not photosensitive, of heading			<i>Was it the comprehensive approach, i.e. identifying classifications of PCAs for all ITA products, necessary? or a more limited approach, i.e. identifying only items that were not already covered by the ITA elsewhere?</i>	<p>1 participant, in its recent submission, considered that the description was meant to cover all paging alert devices, including "two-way pagers".</p> <p>1 participant, in its recent submission, indicated that clarification was needed if it referred to ordinary pagers.</p> <p>2 participants thought the comprehensive approach was more appropriate and all PACs were covered.</p> <p>1 participant indicated that it should be a limited approach, i.e. identifying only items that were not already covered by the ITA elsewhere.</p> <p>2 participants did not answer the question.</p> <p>2 participants indicated that considerations are required.</p>	<p>There was no majority position among those participated in the early discussions.</p> <p><i>Can the participants who had contributed to the early discussions clarify their position again?</i></p> <p><i>What would be the view of the rest of the participants?</i></p>

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Questions posed	Answers already received	Answers are expected from the rest of participants
		8541, and integrated circuits and micro assemblies of heading 8542. (841990, 842191, 842490, 843139, 846691, 846693, 846694, 847150, 847180, 847310, 847321, 847329, 847330, 847340, 847350, 847790, 847990, 850490, 851440, 851490, 851590, 851750, 851780, 851790, 851890, 852290, 852390, 852491, 852812, 852990, 853190, 853890, 854389, 854390, 854890, 900990, 901090, 901190, 901290, 901390, 901790, 902690, 902790, 903090, 903190)				2 participants, in their recent submissions, considered that the comprehensive approach was more appropriate and thus all PCAs should be covered by the description.	
20.	192	Electric amplifiers when used as repeaters in line telephony products falling within this agreement, and parts thereof (851750, 851780, 851790, 851840, 851890)			<i>Are all repeaters intended to be covered?, not only those used in line telephony only?</i>	1 participant indicated that electric amplifiers when used as repeaters only in line telephony products were intended to be covered.  2 participants indicated further consideration of this issued was required.	There was no majority position among those that participated in the early discussions.  <i>Can the participants who had contributed to the early discussions clarify their position again?</i>  <i>What would be the view</i>

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Questions posed	Answers already received	Answers are expected from the rest of participants <i>of the rest of the participants?</i>
					<p><i>If repeaters are limited to line telephony, how should one distinguish between those intended for different uses?</i></p>	<p>4 participants did not answer the question.</p> <p>1 participant, in its recent submission, stated that all repeaters were intended to be covered, not only those used in line telephony.</p> <p>1 participant, in its recent submission, indicated that its comments were still pending.</p> <p>2 participants indicated further consideration of this issued was required.</p> <p>5 participants did not answer the question.</p> <p>2 participants, in their recent submissions, indicated that their responses were still under consideration</p> <p>At the Committee meeting of 25 May 2005,</p>	<p><i>of the rest of the participants?</i></p>

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Questions posed	Answers already received	Answers are expected from the rest of participants
						<p>one participant noted that in the informal meeting of custom experts (G/TT/14/Rev.1/Add.1), it was recognized that some of the products covered by this description were being discussed at an ongoing court case and the issue of certain repeaters would be taken at WCO HSC. It would like to further consider this issue based on those results, and appreciated if any information concerned would be provided.</p> <p>One participant noted the difficulties faced by Customs in determining whether such repeaters were suitable for use solely or principally in line telephony at the time of importation.</p> <p>One participant stated that one delegation had originally asked that this</p>	

List V No.	ITA item No.	Product Description (HS96)	HS 2002	HS 2007	Questions posed	Answers already received	Answers are expected from the rest of participants
						<p>item not be discussed as they had a pending case on this question. It said that the ITA item description was for "electric amplifiers" used in "line telephony products". No mention of LAN.</p> <p>One participant, who did not give an answer before, indicated, at the Committee meeting on 29 March 2007, that it should be classified by use itself.</p>	

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**Committee of Participants on the Expansion of  
Trade in Information Technology Products**

**DIVERGENCES IN CLASSIFYING INFORMATION TECHNOLOGY PRODUCTS**

Summary of Discussions – List V: Categorization

Note by the Secretariat<sup>1</sup>

Draft

Corrigendum

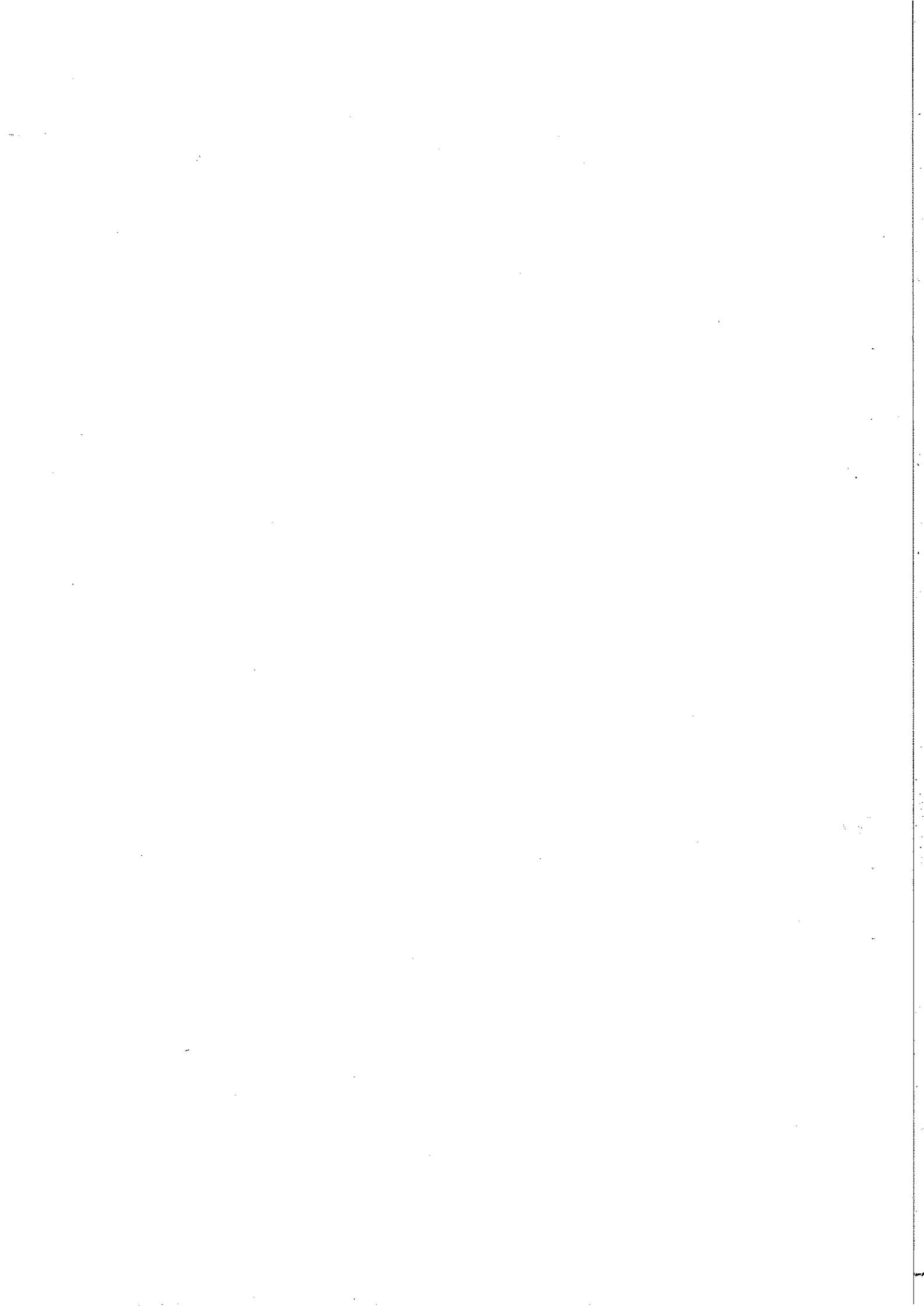
The seventh column of the table should read: "Answers already received from 9 participants".

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\* In English only.

<sup>1</sup> This note has been prepared under the Secretariat's own responsibility and without prejudice to the positions of Members and to their rights and obligations under the WTO. It was circulated as a room paper dated 30 October 2006.



# WORLD TRADE ORGANIZATION

G/IT/26  
21 March 2006

(06-1280)

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**Committee of Participants on the Expansion of Trade in  
Information Technology Products**

Original: English

## **CLASSIFICATION OF SET TOP BOXES**

### Communication from the World Customs Organization (WCO)

The attached document contains the deliberations and decision of the World Customs Organization's Harmonized System Committee (HSC) on the classification of set top boxes, which were in response to the request by the Chairman of the Committee of Participants on the Expansion of Trade in Information Technology Products dated 23 January 2004, seeking the HSC opinion on the classification of "set top boxes which have a communication function: a microprocessor-based device incorporating a modem for gaining access to the internet, and having a function of interactive information exchange".

The attached WCO HSC decision on the classification of set top boxes was taken at its 36<sup>th</sup> Session held in September 2005.

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**DECISIONS OF THE HARMONIZED SYSTEM COMMITTEE (O. Eng.)**

1. One delegate began the discussions on this agenda item by recalling the reasons for the product being placed on the Committee's Agenda. The debate stemmed from the ITA discussions amongst customs experts in Geneva, as to whether or not certain types of Set Top Boxes (STBs) could fall within the scope of subheadings 8525.10 or 8525.20. During those discussions, it was also acknowledged that STBs could also fall within heading 85.28. With respect to the product before the Committee, his delegation had doubts as to whether the product met the conditions of the text of heading 85.25. In this context, he referred to the existence of an Integrated DTV set which is a digital television with a built-in digital decoder or DTV receiver (heading 85.28). In his view, due to the evolution of technology, the presence of a tuner was not the only criteria which would bring a product within the scope of heading 85.28. The digital decoder was replacing the tuner and, in his view, this placed the STB before the Committee in heading 85.28. The digital decoder was taking the incoming signal and converting that signal for display on a TV. In response to certain views regarding the method of delivery to the STB of the incoming signals as a "package", he regarded this as a data stream in a specific format destined for display on a TV. The fact that it was not ready for display when it arrived in the STB and had to be converted did not negate the fact that it was destined for display on the TV. Consequently, the STB was an apparatus for the reception of television signals and was classified in heading 85.28.

2. Several other delegations agreed with the classification of the STB before the Committee in heading 85.28, as a reception apparatus for television. One of these delegates referred to the legal text of heading 85.28 "reception apparatus for television, whether or not incorporating radio-broadcast receivers or sound or video recording or reproducing apparatus ...". He argued that a STB was a reception apparatus for television. He further stated that all receivers had a processing function. He drew the attention of the Committee to the fact that neither the current legal text nor the Explanatory Notes required that the signal be readily useable or readable by the television. The manner in which the product at issue was used was a reception function and, while the method of receiving the signal and nature of the signal might change, the reception function remained constant. Consequently, the apparatus should be classified in heading 85.28, as a reception apparatus for television.

3. Another delegate reminded the Committee that this agenda item was one referred to the Committee by the WTO where, in that body, it was an outstanding issue with respect to the possible classification of set top boxes in subheading 8525.10 or 8525.20. The WTO, therefore, had approached the Harmonized System Committee to ask it to examine whether subheading 8525.10 or 8525.20 could also be possible classifications for set top boxes as provided in the WTO description, having already agreed that subheadings 8517.50 and 8528.12 were possible classifications.

4. He agreed with the Secretariat in paragraph 12 of Doc. NC0965E1a that the complete system was a functional unit within the meaning of Note 4 to Section XVI. However, as to the comments made in paragraph 13 of the same document, he referred the Committee to the Explanatory Note to heading 85.25, Part (B), which stated that apparatus for television "falls here whether the transmission is by electro-magnetic waves or by line". In the opinion of his administration, an apparatus which did not receive a television signal, whether or not it was encoded or compressed, could not be classified under heading 85.28.

5. He referred to the description of the \*\*\* in Doc. NC0965E1a, particularly to paragraphs 2 to 6 of Annex I, wherein it was stated that the product received data from the Internet (non-television) and converted it to a signal that was displayable on a television and transmitted that signal to the television. He felt that this understanding of the process was supported by the explanation of the ICC expert in paragraph 2 of Annex II to Doc. NC0965E1a and by the information contained on page 3 of the same document, under Product Basics : Description.

6. He indicated that since no television signal was being received, but a signal for a television was created in the STB and sent to a television for display, the STB was classified in heading 85.25, specifically subheading 8525.10.

7. After having heard some other administrations express the opinion that the STB was receiving a television signal, he stressed that a television signal was very different from the data signals that were being received by the STB. He drew the attention of the Committee to paragraph 6 of Annex I to Doc. NC0965E1a and reminded the Committee that the \*\*\* allowed households to access Windows – media compatible music, video and photos from the Web and to content loaded in files on networked PCs on their televisions. They could also watch news, sports and entertainment video clips. All of these were based on computer files on a network, and not television signals.

8. He also reminded the Committee that this interpretation was consistent with the decision of the Committee to classify a satellite television STB under heading 85.28 in Classification Opinion 8528.12/2. In that case, the STB received an encoded television signal and decoded it to a signal viewable by a television. Even though the signal had to be decoded to be viewed, it was still a television signal before, and after it entered the set top satellite box.

9. He felt that to accept the previously expressed views would greatly enlarge the scope of heading 85.28, as now any signal whether television or data which was being received would go under that heading, rather than only television signals, which was now the requirement.

10. An alternative view was expressed by one delegate. In his administration's view, heading 85.25 was excluded because the STB did not act as a receiver. Heading 85.28 was also excluded because the STB was not a tuner. It was connected to the television only to use the television as a monitor. In his administration's view, the design characteristics and function of the STB was that of a modem. Based on Note 4 to Section XVI and the design characteristics and function of the STB, his administration would classify the STB before the Committee in subheading 8517.50.

11. The Deputy Director drew the attention of the Committee to the description in the box before paragraph 12 of Doc. NC0965E1a. It was the Secretariat's view that the STB, as such, did not provide a television signal; rather, it provided an audio-visual signal, which was not the same as a television signal. It was for this reason that the Secretariat had questioned the classification of the STB in heading 85.25 in the working document. He made the analogy to connecting a DVD player to a television set through an audio-visual cable. He wondered whether that would make the DVD player a transmission apparatus. He further explained that the signals received by the STB were the same signals one received through a modem to connect to the Internet. Once connected, one can go to the Internet and download content by a data stream that could then be put on a computer through a modem. The STB converts this signal that can then be understood by a television. Based on the foregoing, the Deputy Director felt that classification of the STB in heading 85.17 merited considerations.

12. When the Chairperson called for a vote, three delegates voted in favour of classification in heading 85.17, three delegates opted for classification in heading 85.25 and twenty-two supported classification in heading 85.28.

13. At this point, the \*\*\* Delegate asked the Committee how the Committee would respond the question posed to it by the WTO, as the ICC had provided to the Committee for classification a STB which could meet the definition of the ITA and which could be classified either in subheadings 8525.10 or 8525.20.

14. The Deputy Director responded by reading from the WTO letter, wherein the WTO had made its request to the HS Committee. He was of the opinion that the product classified by the Committee met the requirements of the ITA description outlined in the request letter and that subheadings 8525.10 and 8525.20 were both possible classifications. He informed the Committee that the Secretariat would report the results of the Committee's discussions, as well as the classification of the product to the WTO shortly. The Secretariat would make it clear that the two-month reservation period was still in effect and would end on 1 December 2005.

15. The Chairperson then suggested and received the Committee's approval for classification in subheading 8528.12 by application of GIRs 1 and 6. In order to give effect to this decision, the Committee instructed the Secretariat to prepare a draft Classification Opinion for examination, in the first instance, by the next preessional Working Party.

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# WORLD TRADE ORGANIZATION

G/IT/26/Add.1  
25 October 2006

(06-5125)

Committee of Participants on the Expansion of Trade in  
Information Technology Products

Original: English

## CLASSIFICATION OF SET TOP BOXES

### Further Communications from the World Customs Organization (WCO)

#### Addendum

The Director of the WCO Tariff and Trade Affairs Directorate, in a communication dated 14 September 2006, informed the Secretariat that "the HSC decided to classify the apparatus as reception apparatus for television, in heading 85.28 (subheading 8528.12) by application of General Interpretative Rules 1 and 6." The report of that discussion (Annex F/12 to Doc. NC1004E1b) is annexed as Attachment 1. The formal text of the Classification Opinion agreed to during the 37<sup>th</sup> Session of the Committee (Annex O/21 to Doc. NC10592b), is also annexed as Attachment 2.

At the same time, the communication also indicated that "it remains for the HS Committee to determine where the product will fall to be classified in the 2007 edition of the HS, since the heading and subheading texts will change on 1.1.2007." "The question is on the agenda for the 38<sup>th</sup> Session of the Committee, which will take place from 2 to 13 October 2006."

On 16 October 2006, the Secretariat received another communication from the Director of the WCO Tariff and Trade Affairs Directorate, indicating that during the 38<sup>th</sup> Session of HS Committee, which ended on 13 October 2006, "the Committee agreed by consensus that the same set top box would be classifiable in subheading 8528.71 in 2007." However, it also stated that "Pursuant to Article 8 of the HS Convention, Contracting Parties may enter a reservation on the decision of the Committee for two months from the beginning of November 2006. A reservation would normally cause the matter to be sent back to the Committee for reconsideration. In the absence of any such reservation, the corresponding change to the Classification Opinion will become effective on 1 January 2007."

Attachment 1Annex G/10 to Doc. NC1059E1b  
(HSC/37/March 2006)

1	2	3
NC1021E1a, Annex K, NC1057B1b, Annex A/X	Amendments to the Compendium of Classification Opinions to reflect the decision to classify set top boxes in subheading 8528.12.	<u>See Annex O/21.</u>

DECISIONS OF THE HARMONIZED SYSTEM COMMITTEE (O. Eng.)

1. Subject to the deletion of the word "units" in the second sentence the English text and the substitution of the term "un dispositif" for the term (une unité) in the second sentence of the French text, the Committee adopted the texts finalised by the Working Party.
2. The texts adopted are set out in Annex O/21 to this Report.



Attachment 2

Annex 021 to Doc. NC1059B2b  
(HSC/37/March 2006)

ANNEX O/21

AMENDMENTS TO THE COMPENDIUM OF CLASSIFICATION OPINIONS  
TO REFLECT THE DECISION TO CLASSIFY  
SET TOP BOXES IN SUBHEADING 8528.12  
(See Annex G/10)

Annex0/21 to Doc. NC1059B2b  
(HSC/37/ March 2006)

AMENDMENTS TO THE COMPENDIUM OF CLASSIFICATION OPINIONS

Page XVI/25/E

Insert the following Classification Opinion:

- "8528.12      4.      **Modem-based (broadband) set top box** having a communication function allowing the user to access the Internet, send and receive e-mail through a telephone line connection, containing a microprocessor memory (128 MB RAM and 64 MB flash memory), two USB ports, audio/video output jacks, phone jack, ethernet jack and built-in operating and application software optimised for television. It receives digital signals and converts them for display on an external display (e.g. television set, video monitor). It is presented with a wireless keyboard, a remote control, an audio/video cable, a phone cord, a telephone line T-splitter, a registration card, a power supply and setup and user guides.

**Application of GIRs 1 and 6"**

Page A/31 E

Insert the following references:

Column 1	Column 2	Column 3	Column 4
"8528.12	4	NC1059E1b/G/10	"MSN TV2 Internet and Media Player (RM4100)""

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# WORLD TRADE ORGANIZATION

G/IT/26/Add.2  
19 March 2007

(07-1153)

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Committee of Participants on the Expansion of Trade in  
Information Technology Products

Original: English

## CLASSIFICATION OF SET TOP BOXES

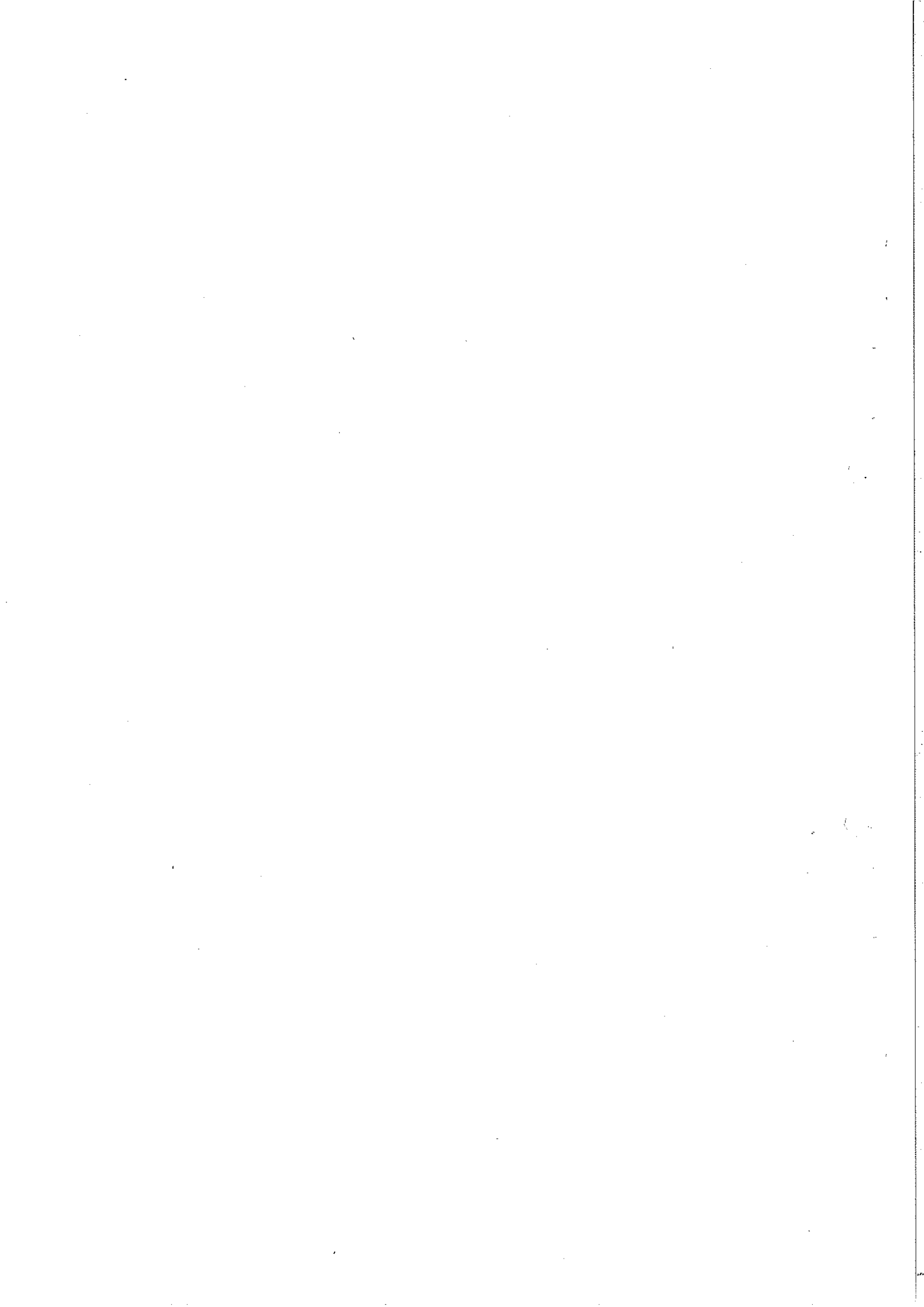
Communication from the World Customs Organization (WCO)

### Addendum

The Director of the WCO Tariff and Trade Affairs Directorate, in a communication dated 12 March 2007, informed the Secretariat concerning the HSC decision to amend the Classification Opinion on Set Top Boxes to accommodate the 2007 HS changes.

"No reservation was lodged during the period provided in Article 8 of the HS Convention. Therefore, the decision to replace Classification Opinion 8528.12/4 with **Classification Opinion 8528.71/4** became effective 1 January 2007. The change is reflected in Amending Supplement 7 to the Compendium of Classification Opinions, which was published in January 2007."

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**Committee of Participants on the Expansion of Trade in  
Information Technology Products  
Negotiating Group on Market Access**

Original: English

**REVIEW OF THE INFORMATION TECHNOLOGY AGREEMENT (ITA)**

Communication from the European Communities

In this communication, dated 15 September 2008, the European Communities set out some initial views concerning possible negotiations for an update of the Information Technology Agreement. These concern in particular the elimination of non-tariff barriers (NTBs), the expansion of product coverage to take account of technological evolution and convergence, the failure to address effectively classification divergences, and the expansion of its membership.

One of the successes of the 1<sup>st</sup> WTO Ministerial Conference held in Singapore in December 1996 was the Ministerial Declaration on trade in Information Technology Products, commonly described as Information Technology Agreement (ITA). The ITA includes forty-three participants<sup>1</sup>, a considerable increase from the fourteen original signatories.

The success of the ITA is best illustrated by one figure: from \$ 600 billion in 1996, today IT products account for over \$ 1500 billion world exports, i.e. one fifth of total world exports of manufactured products. This impressive increase has been accompanied by major shifts among principal traders, in particular in Asia where the success of countries such as China and India is the best example of integration into the global economy with beneficial effects on long term growth. The expansion of its membership should lead to a further growth of the global IT market and of trade in IT products.

Despite its success, even during the early years some elements of the ITA started to pose major challenges to all participants. The focus of such difficulties were product coverage issues, the absence of any progress in addressing non-tariff barriers (NTBs), which have remained a significant obstacle for trade in IT products, as well as the non-membership of important countries active in the trade in IT products.

The ITA intended to deal with issues created by technological convergence, i.e., the increasing number of functions performed by some products possibly blurring the principal function of a product. However, in practice the mechanisms under the ITA Agreement for the incorporation of new IT products since the ITA was negotiated<sup>2</sup> and the resolution of classification divergences have

<sup>1</sup> ITA participants include 70 Members and States or separate customs territories.

<sup>2</sup> The ITA does not entail automatic product coverage extension. Attachments A and B of the ITA deal with product coverage. Whilst in Attachment A products are referred to by tariff heading, in Attachment B products are referred to through descriptions. Following the signing of the Agreement, Participants had to communicate the tariff lines implementing Attachment B commitments in their schedules.

not worked effectively. Some of the difficulties arose from the compromises achieved in 1996, under which certain IT products (such as optical fibres) were excluded from its coverage.

In sum: the ITA has been very successful, but experience so far has shown that none of the mechanisms contained in the Agreement has really helped it to keep pace with technological progress in products or to dismantle existing NTBs.

The European Communities proposes that ITA participants and other WTO Members initiate negotiations to:

- eliminate all and prevent the creation of new non-tariff barriers affecting these products;
- review the product coverage;
- establish effective mechanisms to keep the agreement up to date and to ensure that in future it takes into account technological development and convergence;
- include major producers of IT products still outside the ITA.

All these issues need to be addressed together in order to produce a balanced outcome where the different interests of Members are dealt with satisfactorily.

Rapidly evolving technologies make these negotiations particularly urgent in order to solve the problems faced in trade in these products. The European Communities therefore proposes to start negotiations immediately in order for results to be reached in the shortest possible period of time; it could also be included as an outcome of the DDA negotiations. Among the issues to be tackled, the European Communities proposes to give priority to some key topics, such as:

- on product coverage, negotiating the inclusion of products that present specific challenges for ITA Members, and in particular of multi-functional products;
  - on NTBs, agreement on substantive provisions concerning the recognition of internationally agreed standards and of methods of conformity assessment, in order to avoid multiple testing and enable greater economies of scale without compromising on product safety.
-

DRAFT

**REPORT (2008) OF THE COMMITTEE OF PARTICIPANTS ON THE EXPANSION  
OF TRADE IN INFORMATION TECHNOLOGY PRODUCTS**

1. The Committee of Participants on the Expansion of Trade in Information Technology Products, hereinafter referred to as "the Committee", was established pursuant to the provisions of the Ministerial Declaration on Trade in Information Technology Products (WT/MIN(96)/16), hereinafter referred to as "the Ministerial Declaration", and the provisions for the Implementation of the Ministerial Declaration on Trade in Information Technology Products (G/L/160), in order to carry out the provisions of paragraphs 3, 5, 6 and 7 of the Annex to the Declaration.

2. The Committee has held one formal meeting in 2008: i.e. on [30 October]. The minutes of the meeting are contained in document [G/IT/M/50]. [Mr. Khalid I. Emara (Egypt) was elected Chairman of the Committee for 2008].

3. The total number of participants to the Ministerial Declaration is seventy-one. Since the last report, the schedule of the Ukraine was circulated and approved by the Committee. [At the meeting of 30 October 2008, the Committee agreed that the ITA schedule of Peru be deemed to be approved unless any participant would notify in writing to the Secretariat within three weeks from the circulation of Peruvian ITA schedule. It is anticipated that Peru will soon become the 72<sup>nd</sup> participant to the Ministerial Declaration once its schedule is approved.] The Committee's rules of procedure provide for observer status in the Committee for WTO Members which are not participants to the Ministerial Declaration and Governments that are observers to the Council for Trade in Goods. Requests for observer status by international intergovernmental organizations are considered on a case-by-case basis. The International Trade Centre (ITC) and the Organization for Economic Cooperation and Development (OECD) have been granted observer status; and the World Customs Organization (WCO) has been granted observer status to meetings where the issues of HS classification and HS amendments are included in the agenda.

4. [The Committee continued its deliberations on the Non-Tariff Measures (NTMs) Work Programme. With regard to its work on the EMC/EMI Pilot Project, further to the approval of the "Guidelines for EMC/EMI Conformity Assessment Procedures" (G/IT/25) on an *ad referendum* basis, the Committee received survey responses from those participants who had not provided their information with a view to up-dating the Secretariat's note of the "Draft List of the Types of Conformity Assessment Procedures for EMC/EMI Used by ITA Participants" (G/IT/W/17/Rev.4). In considering ways to advance and expend its work on NTMs other than EMC/EMI, the Committee also heard reports and updates by participants on their contributions to the work on NTMs, including those in other bodies of the WTO, e.g., in the NGMA.]

5. [The Committee further continued its work on classification divergences. In this respect, the Committee continued to use the last report from the customs experts (G/IT/14/Rev.1/Add.1) and the compilation document, as revised by the Secretariat (G/IT/W/6/Rev.3), as the basis for its discussions. At the meeting of 30 October 2008, the Committee focused its discussions on the List V items

(G/IT/W15, G/IT/W/20 and JOB(07)/91/Rev.1 + Corr.1); Communications received from the World Customs Organization (WCO) concerning List III (G/IT/26/Add.2); and other Lists of G/IT/W/6/Rev.3.]

6. [At the meeting of 30 October 2008, the Committee discussed the proposal by the European Communities concerning the review of Information Technology Agreement (ITA) (G/IT/W/28).]

*take into account of Member's statement*

7. The Committee has consistently reviewed the status of implementation, a summary of which is provided in document G/IT/1 and its revisions. The document noted that most participants had submitted the formal documentation for rectification and modification of their WTO schedules in order to incorporate the commitments arising from the Ministerial Declaration and most had been certified by the Director-General. [Three] participants were still awaiting the completion of domestic procedural requirements or had not yet submitted the necessary documentation.

8. The Chairman regularly informed the Committee under "other business" that participants continued to consult among themselves on review of product coverage. He encouraged delegations to continue their efforts.

**This document will be updated to take into account the discussions at the meeting to be held on 30 October 2008.**



**MARKET ACCESS FOR NON-AGRICULTURAL PRODUCTS**

Sectoral Negotiations

*Communication from the NAMA-11<sup>1</sup> Group of Developing Countries*

The following communication, dated 27 October 2008, is being circulated at the request of the delegations of Argentina, Bolivarian Republic of Venezuela, Brazil, Egypt, India, Indonesia, Namibia, South Africa and Tunisia.

1. We, the NAMA-11 Group of Developing Countries, recall paragraph 16 of the Ministerial Declaration of the Sixth Session of the Ministerial Conference adopted on 18 December 2005<sup>2</sup>. Ministers at Hong Kong agreed that participation in sectoral initiatives shall be on a non-mandatory basis. Sectoral Initiatives have been accepted by Members to be a "supplementary modality" to be voluntarily adopted for meeting ambition levels beyond those achieved by the formula. The NAMA-11, as many other developing country Members, has repeatedly reminded the Negotiating Group about the non-mandatory character of these initiatives.
2. However, in some recent discussions this modality is sought to be mainstreamed as a primary modality. Unfortunately this particular position of a very limited group of countries has been in some way recorded by the previous Chairman of the NGMA who has included in his third revision of the Draft NAMA Modalities (TN/MA/W/103/Rev.2) that despite the mandate of the Ministers about the non-mandatory nature of the sectoral agreements, "*for some Members, sectoral initiatives that reach a critical mass of participation will help to balance the overall results of the negotiation on non-agricultural market access, which includes the coefficients in paragraph 5 and the levels of flexibilities and related provisions of paragraph*", thus, linking sectorals to the formula and flexibilities. This language contributes to the serious imbalance of that text, as observed by the Ministers of the NAMA-11 in their July 2008 Ministerial Declaration (JOB(08)/89), which restated the position of the group that "sectoral negotiations should remain voluntary and that there could be no linkage between sectoral negotiations and the coefficients and flexibilities".
3. The last Chair's Report (JOB(08)/96) exacerbates this linkage by including Sectorals in a "package" along with formula and flexibilities. This continues to negate the reality of the negotiations, that has largely shown that most of the developing countries are not interested in the sectoral negotiations. On the contrary, many of them, the poorest among them, are concerned about the impact that these negotiations will have on some sectors in non-participating preference dependent countries.

<sup>1</sup> Argentina, Bolivarian Republic of Venezuela, Brazil, Egypt, India, Indonesia, Namibia, South Africa and Tunisia. The Philippines is not a signatory to this submission.

<sup>2</sup> WT/MIN(05)/DEC dated 22 December 2005.

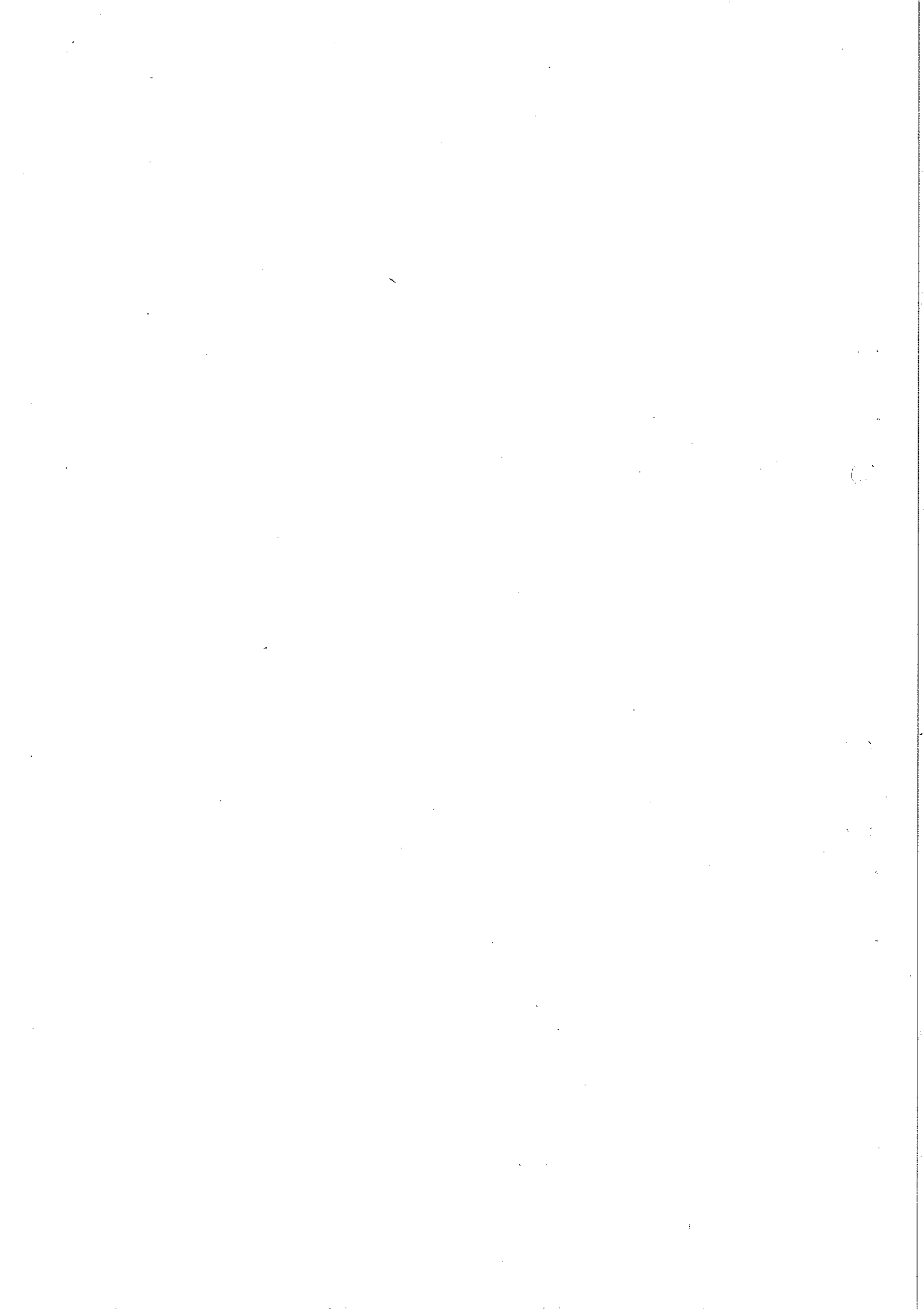


4. For the NAMA-11 any attempt to elevate sectoral negotiations negates many aspects of the NAMA mandate and the ministerial directions governing the negotiations. In all the sectoral proposals the demand is to have the same end-result, i.e. elimination of tariffs by all participants, barring some insignificant exceptions. This makes a mockery of the underlying developmental objective of the DDA. The principle of "less than full reciprocity in reduction commitments", which is already difficult to achieve with the current structure of the modalities, becomes simply impossible if developing countries are forced to participate in these agreements on the proposed terms. In addition to the above, the present sectoral proposals cover almost all NAMA tariff lines. If indeed such a wide ranging sectoral initiative is to be pursued why was all this time wasted in negotiating a formula?

5. Moreover, in the present negotiations the basic balance that is being sought to be achieved is between the agriculture and NAMA outcomes as stated in Paragraph 24 of the HKMD. In this equation the sectoral results, which are additional in nature, cannot be taken into consideration and consequently sectoral negotiations have to be conducted separately.

6. Having said this, we understand that sectoral initiatives can be pursued voluntarily by interested members as a supplementary approach, together with the request and offer component. In any event, the specific modalities agreed for each sectoral agreement should respect the basic principles of the NAMA negotiations as agreed to by Ministers at Doha and at Hong Kong, i.e., participation has to be non-mandatory, allow less than full reciprocity in reduction commitments to developing countries and they have to include appropriate flexibilities to accommodate the specific needs of all developing countries. Given the present state of the individual sectoral initiatives / textual proposals, proponents and interested Members should continue to explore and devise modalities that fully respect the NAMA mandate, before wider discussions can be held on them.

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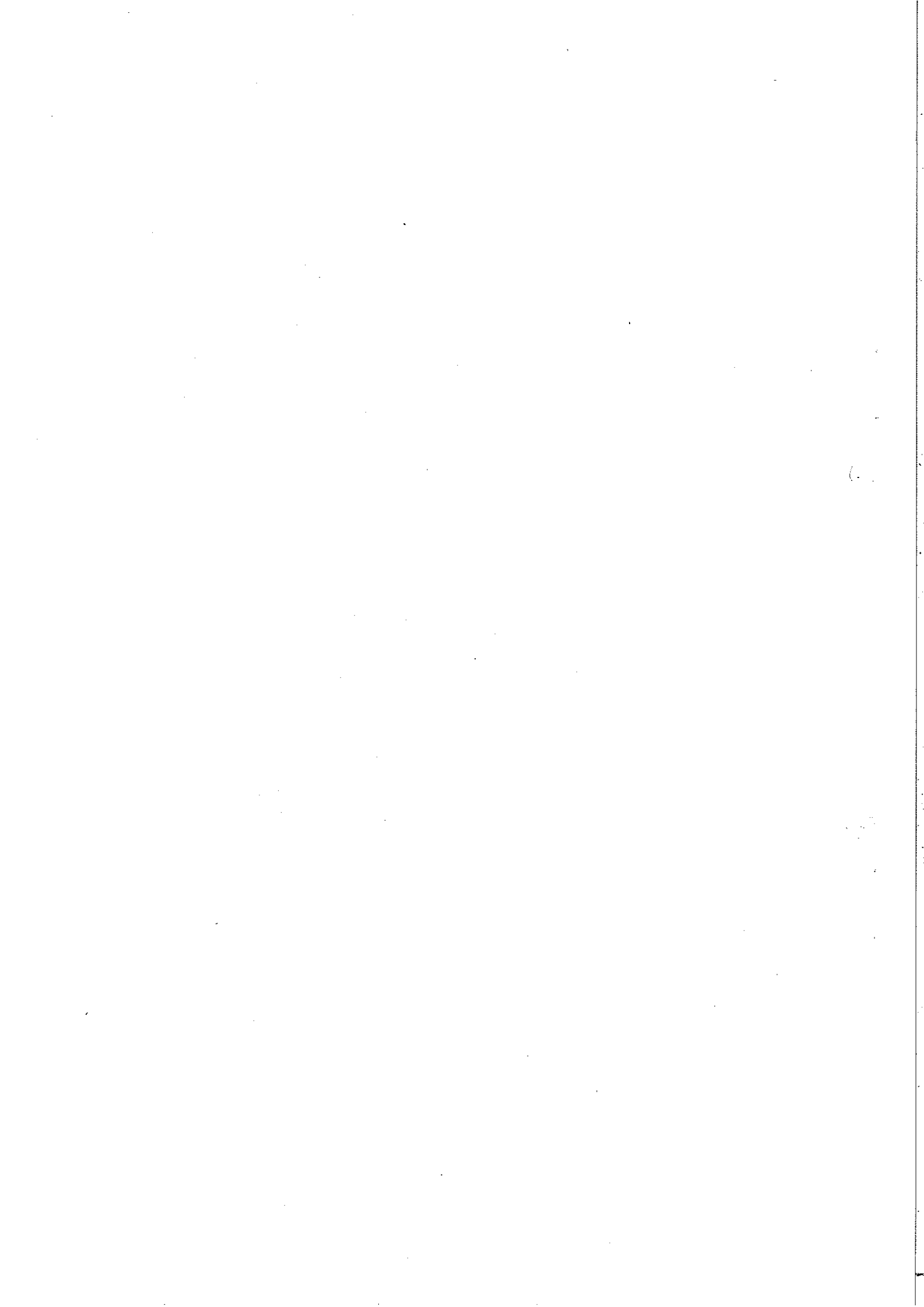


**Statement for ITA Committee**  
**Thursday, 30 October, 2008**  
**By Chinese Taipei**

Thank you, Mr. Chairman.

We thank the EC for its efforts in producing the Proposal on IT Product expansion, NTB elimination and participants' expansion. However, we believe that more detail is needed before any decision is made to consult whether we want to launch a new negotiation or not. For example:

- What is the relationship between this proposal and the on-going NAMA negotiations?
- Would this negotiation take place under the ITA Committee or under NAMA? If NAMA, does the EC intend to initiate a new sectoral proposal?
- How can participation be expanded and who will be invited if this negotiation is to take place under the ITA Committee? Many participants joined the Agreement after 1996 under current mechanism. Do we really need to start a negotiation for inviting more participants?
- The most important issue is what products will be discussed. We believe the discussion of the product coverage should not include the items that are already covered under the current ITA. Besides, we believe that negotiating an expansion of the products should not be perceived as having linkage to the matter at dispute.
- In addition to tariff matters, what NTB proposal will be discussed? Does the EC intend to submit a new NTB



proposal? What would be the relationship between the EC's new NTB proposal and the NTB proposals we have already discussed in the NAMA negotiations?

Mr. Chairman, we firmly believe that it would greatly assist Members' capitals in their evaluations if they could be provided with more details of the EC's proposals.

Thank you, Mr. Chairman, for giving me the floor.

