

**KACT, WCO Headquarters, Brussels, Belgium**  
**June, 22 – 24, 2015**

**Module 3**  
**Harmonized System**  
**GIRs and Hi-Tech and related products**

**Facilitator: Izaak Wind**

# Module 3: Programme Overview & Positioning



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## Session V

# Application of GIRs 1 and 6

## Session V: Application of GIR 1

Step by step process:

- Identify the goods
- Identify the possible Chapters
- Consider the appropriate Section and Chapter Notes
- Locate the appropriate headings
- [Classify at subheading level]

# Session V: Application of GIR 1

First step:

Rule 0

W I I

# Session V: Application of GIR 1

## First step:

- Identify the goods as presented
- Full description
- Taking into account the HS provisions

## Session V: Application of GIR 1

### Rule 0

#### Description of the goods

Wheat flour

Vegetable oils

Salt

Wheat gluten

Mineral salts

Oleoresins

Colorant



## Session V: Application of GIR 1

Description of the goods

**NOODLES !!!**



## Session V: Application of GIR 1

### Description of goods

# A consignment of drums

## Session V: Application of GIR 1

### Description of goods

What are the goods? What type of drums?

- Brake drums for bikes, cars, other vehicles
- Containers for materials, for compressed or liquefied gas
- Parts for machinery, plant – industrial, agricultural, etc.
- Musical instruments bass, side drums, toys
- For photocopying machinery
- Weight drums for clocks

## Session V: Application of GIR 1

### GIR 1

*The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions.*

## Session V: Application of GIR 1

### TITLES

for ease of reference only

- 1) Sections, Chapters and sub-Chapters
- 2) Categories or types of goods
- 3) Not possible to cite them all
- 4) No legal bearing on classification

## Session V: Application of GIR 1

### Example (1)

#### Chapter 22: Beverages, spirits and vinegar

#### Also:

- ✓ ice and snow (22.01)
- ✓ denatured ethyl alcohol (22.07)

## Session V: Application of GIR 1

### Example (2)

Chapter 28: Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes

Also:

- ✓ organic compounds of mercury (28.52)
- ✓ liquid or compressed air (28.53)

But not:

pure sodium chloride (25.01)

## Session V: Application of GIR 1

### Example (3)

Section XV: Base metals and articles of base metals

But not:

- ✓ Base metal clad with precious metal (Chapter 71)
- ✓ Vehicles, vessels, aircraft (Section XVII)
- ✓ Toys or sports requisites (Chapter 95)

## Session V: Application of GIR 1

### Sub-Chapter

- Not all Chapters
- Group of headings
- Example : Chapter 72



## Session V: Application of GIR 1

### Chapter 72

products grouped according to production stage and composition:

- ✓ Primary materials; products in granular or powder form
- ✓ Iron and non-alloy steel
- ✓ Stainless steel
- ✓ Other alloy steel; hollow drill bars and rods

## Session V: Application of GIR 1

### Chapter 39 (Plastic and articles thereof)

According to production stage

- ✓ Sub-Chapter I :  
“Primary forms”
  
- ✓ Sub-Chapter II:  
“Waste, parings and scrap; semi-manufactures; articles”

## Session V: Application of GIR 1

### Sub-Chapter I : “Primary forms”

- i. Headings 39.01 through 39.14
- ii. Also part of the heading text
- iii. Defined in Note 6 to Chapter 39

## Session V: Application of GIR 1

Sub-Chapter II : “Waste, parings and scrap; semi-manufactures; articles”

- i. Headings 39.15 through 39.26
- ii. Limited scope of “waste” (Note 7 to Chapter 39)
- iii. No definition for other categories referred to in Sub-Chapter title
- iv. Reference to “Sub-Chapter” in Note 11 to Chapter 39

## Session V: Application of GIR 1

Legal purposes, terms of:

- ✓ Headings
- ✓ And
- ✓ Any relative Section or Chapter Notes

## Session V: Application of GIR 1

Legal purposes  
Terms of the headings

What it is? Flour  
What is it made from? Meat  
What is it used for? Human consumption or otherwise

<b>02.10:</b>	<b><i><u>edible</u> flours and meals of meat or meat offal</i></b>
<b>23.01:</b>	<b><i>flours, meals and pellets, of meat or meat offal, (...) <u>unfit for human consumption</u></i></b>

# Session V: Application of GIR 1

## Legal purposes

### Notes

- ✓ Located at the beginning of the Section or Chapter
- ✓ Not all Sections and Chapters do have Notes
- ✓ Do not confuse with Explanatory Notes!

# Session V: Application of GIR 1

## Nature of Section or Chapter Notes:

- ✓ Restriction of scope
- ✓ Expanding the scope
- ✓ Definitions



## Session V: Application of GIR 1

### Notes – restricting

- ✓ Exclusion Notes: *'This Section/Chapter does not cover:'*
- ✓ Notes 1 to Section XVI/Chapters 84 and 85
- ✓ Note 2, 2<sup>nd</sup> and 3<sup>rd</sup> paragraph, to Chapter 84
- ✓ Note 5 (D) to Chapter 84
- ✓ Note 7 to Chapter 90

# Session V: Application of GIR 1

Notes – expanding the scope of a heading or of a term:

- ✓ Note 2 to Chapter 6
- ✓ Note 2 to Chapter 7 (“vegetables”)
- ✓ Note 1 to Chapter 40 (“rubber”)

# Session V: Application of GIR 1

## Notes - definitions

For the whole Nomenclature:

- ✓ Note 1 to Chapter 39 (plastics)
- ✓ Note 1 to Chapter 40 (rubber)

# Session V: Application of GIR 1

## Notes – definitions

For the Section, Chapter or heading:

- ✓ Section: Note 5 to Section XVI (“Machines”)
- ✓ Heading: Note 8 to Chapter 84 (“pocket-size”)
- ✓ Subheading: Subheading Note 1 to Chapter 84 (“systems” of 8471.49)

## Session V: Application of GIR 1

### Notes – definitions

Note 8 to Chapter 84 (“pocket-size”) :

For the purposes of heading 84.70, the term “pocket-size” applies only to machines the dimensions of which do not exceed 170 mm x 100 mm x 45 mm.

## Session V: Application of GIR 1

### Notes – classification principles

Priority classification:

- ✓ Notes 1 and 2 to Section VI
- ✓ Note 4 to Chapter 30
- ✓ Note 9 (D) to Chapter 84

# Session V: Application of GIR 1

## Notes – classification principles

### Parts

- ✓ Note 2 to Chapter 82
- ✓ Note 1 to Chapter 83
- ✓ Note 2 to Section XVI
- ✓ Note 2 to Chapter 90

## Session V: Application of GIR 1

Rules 2 to 6 applicable?

Certain conditions

- a) And
- b) Provided such headings or Notes do not otherwise require
- c) According to the following provisions



## Session V: Application of GIR 1

Provided such headings or Notes do not otherwise require

### Example 1:

- ✓ Rule 2 (b) => mixtures or combinations are included in headings/Notes referring to a material or substance
- ✓ Machinery of ceramic material (Note 1 (b) to Chapter 84) => also includes a combination
- ✓ Mixtures of odoriferous substances (heading 33.02)

## Session V: Application of GIR 1

Provided such headings or Notes do not otherwise require

Example 2:

- ✓ Rule 2 (a) => unassembled
- ✓ Chassis fitted with engines (heading 87.06)

## Session V: Application of GIR 1

***Finally:***

***Rule 1 is***

***ALLWAYS APPLICABLE***

# Session V: Application of GIR 1

***Q and A***

# Session V: Application of GIR 6

## Copy of GIR 1:

- For legal purposes
- According to the terms of those subheadings
- Any related Subheading Notes

## However:

- To the above Rules
- Only subheadings at the same level comparable
- Relative Section and Chapter Notes also apply
- Unless the context otherwise requires

# Session V: Application of GIR 6

- Scope of subheading restricted by:
  - ✓ Terms of the heading
  - ✓ Section of Chapter Note
- Any Subheading Note?

# Session V: Application of GIR 6

Relative Section and Chapter Notes also apply

- Subheading 3825.30: Clinical waste
- No Subheading Note
- Note 6 (a) to Chapter 38

## Session V: Application of GIR 1

Do you remember:

Notes – definitions

Note 8 to Chapter 84 (“pocket-size”) :

For the purposes of heading 84.70, the term “pocket-size” applies only to machines the dimensions of which do not exceed 170 mm x 100 mm x 45 mm.



# Session V: Application of GIR 6

Relative Section and Chapter Notes also apply

- Subheading 8527.12: pocket-size radio cassette-players
- Note 8 to Chapter 84? => restricted to heading 84.70
- Subheading Note 1 to Chapter 85

## Session V: Application of GIR 6

Relative Section and Chapter Notes also apply

- Note 8 to Chapter 84

For the purposes of heading 84.70, the term “pocket-size” applies only to machines the dimensions of which do not exceed 170 mm x 100 mm x 45 mm

- Subheading Note 1 to Chapter 85

Subheading 8527.12 covers only cassette-players (...) and the dimensions of which do not exceed 170 mm x 100 mm x 45 mm

# Session V: Application of GIR 6

Which subheading to classify the following (and why):

T-shirt, made of 50 % (by weight) of cotton and 50 % (by weight) of man-made fibres

Heading 61.09: T-shirts, singlets and other vests:

6109.10 – Of cotton

6109.90 – Other

## Session V: Application of GIR 6

Subheading 6109.90 by application of GIR 6:

Subheading Note 2 to Section XI:

Products of Chapters 56 to 63 **containing two or more textile materials** are to be regarded as consisting wholly of that textile material **which would be selected under Note 2 to this Section** for the classification of a product of Chapters 50 to 55 or of heading 58.09 consisting of the same textile materials.

## Session V: Application of GIR 6

Subheading 6109.90 by application of GIR 6:

Note 2 to Section XI:

Goods classifiable in Chapters 50 to 55 or in heading 58.09 or 59.02 and of a mixture of two or more textile materials are to be classified as if consisting wholly of that one textile material which predominates by weight over any other single textile material.

**When no one textile material predominates by weight, the goods are to be classified as if consisting wholly of that one textile material which is covered by the heading which occurs last in numerical order among those which equally merit consideration.**

## Session V: Application of GIR 6

Subheading 6109.90 by application of GIR 6:

Note 2 to Section XI:

**When no one textile material predominates by weight, the goods are to be classified as if consisting wholly of that one textile material which is covered by the heading which occurs last in numerical order among those which equally merit consideration.**

Cotton : Chapter 52

Man-made fibres: Chapter 55

# Session V: Application of GIR 6

## Subheadings at the same level

- One-dash level
- Two-dash level

### Note:

- Maximum of HS: two-dash level
- National: no maximum provided

# Session V: Application of GIR 6

## One-dash level – Example

Heading 84.34:

**Milking machines and dairy machinery.**

8434.10 – Milking machines

8434.20 – Dairy machinery

8434.90 – Parts



## Session V: Application of GIR 6

Two-dash level – Example

Heading 84.67:  
**Tools for working in the hand, pneumatic,  
hydraulic or with self-contained electric or non-  
electric motor.**

– With self-contained electric motor:

8467.22 – – Saws

– Other tools:

8467.81 – – Chain saws

Chain saw with self-contained electric motor: 8467.22 or  
8467.81?

# Session V: Application of GIR 6

Scope of the subheading shall not extend:

- that of the heading (one-dash level)
- that of the one-dash subheading to which it belongs (two-dash level)

# Session V: Application of GIR 6

Heading 22.01 at national (EU) level: “Other”

2201 10 19 - - - Other

2201 10 90 - - Other

2201 90 00 - Other

# Session V: Application of GIR 6

At national (EU) level: “Other”

- 2201 10 - Mineral waters and aerated waters:
  - - **Natural mineral water:**
    - 2201 10 11 - - - **Not carbonated**
    - 2201 10 19 - - - **Other**
    - 2201 10 90 - - **Other**
  - 2201 90 00 - Other

**THANK YOU FOR YOUR  
ATTENTION**

**ANY QUESTIONS ?**

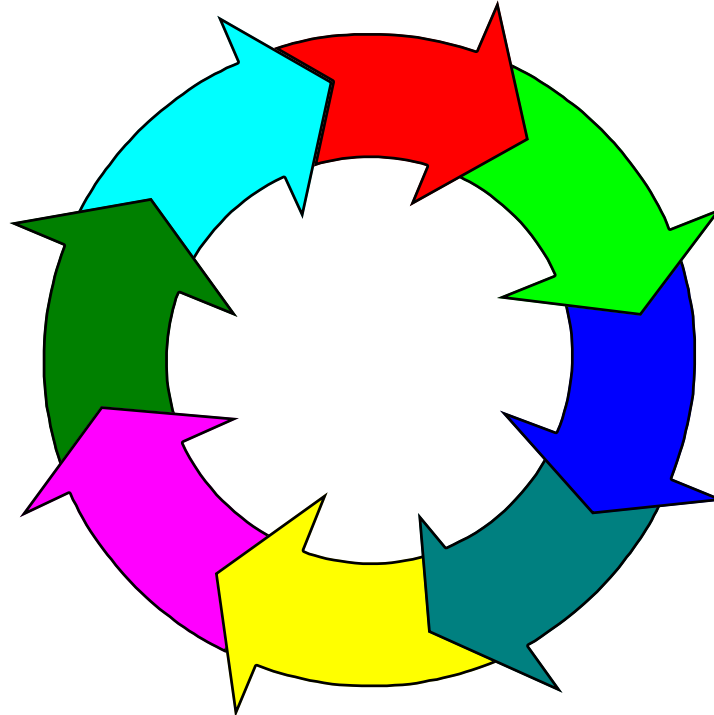
## Session VI



# The Harmonized System

## Classification of parts

## Session VI: classification of parts



Part <-----> Article

## Session VI: classification of parts

### Introduction

73.15 - Chain and **parts thereof**, of iron or steel

44.19 - Tableware and kitchenware, of wood

What is the difference?



# Session VI: classification of parts

## Introduction

- What is a part ?
- Goods intended:
  - to be assembled into an article, together with other goods (parts); or
  - to be incorporated into other articles
- Component of an article

EU Judgment C-297/13 – consideration 35:

“The notion of ‘parts’ implies a whole for the operation of which the part is essential”

# Session VI: classification of parts

## Introduction

- No general classification rule
- Parts are articles
- Specific provisions at Section, Chapter, heading or subheading level

## Session VI: classification of parts

### No specific provision

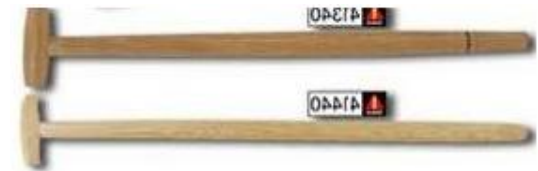
- Part being an article referred to in a heading
- Other parts



## Session VI: classification of parts

No specific general rule - Parts being articles referred to in a heading

- 44.17 - Tools, [...], tool handles, of wood
- 87.06 - Chassis fitted with engines
- 87.07 - Bodies (including cabs), for motor vehicles
- 85.01 - Electric motors



## Session VI: classification of parts

No specific general rule - Parts not being articles referred to in a heading

Classification according to constituent material

✓ wooden lid of wooden tableware:

- heading 44.21 (other articles of wood)
- heading 44.19 (tableware of wood)



✓ lid of metal for a sugar-bowl of glass:

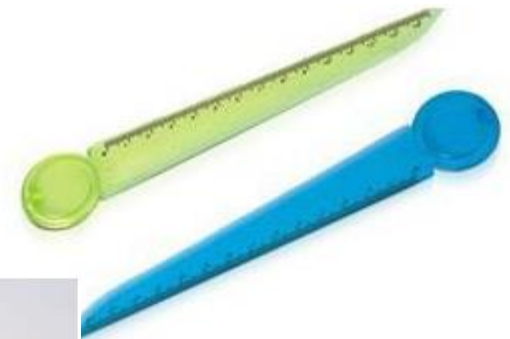
- heading 73.23 (table, kitchen or other household articles or parts thereof, of iron or steel)
- heading 70.13 (glassware of a kind used for table use)



## Session VI: classification of parts

No specific general rule - Parts not being articles referred to in a heading

- Paper knife of plastics: heading 39.26
- Parts:
  - of plastics: 39.26
  - of wood: 44.17 or 44.21



## Session VI: classification of parts

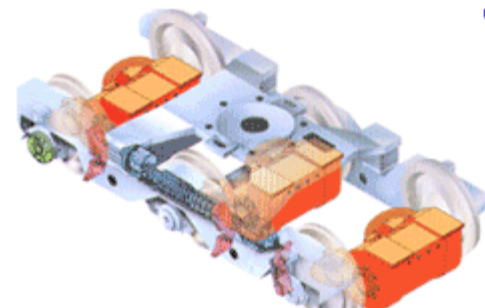
### Specific provisions

- Chapters with a specific heading for “parts”
- Headings referring to certain articles and “parts thereof”
- Section or Chapter Notes governing the classification of parts

## Session VI: classification of parts

Specific provisions - Chapters with a specific heading for “parts”

- 61.17 – (...) parts of garments or (...)
- 86.07 – Parts of (...) or rolling stock
- 88.03 – Parts of (...) headings 88.01 or 88.02
- 92.09 – Parts (...) of musical instruments
- 93.05 – Parts (...) of headings 93.01 to 93.04





## Session VI: classification of parts

Specific provisions - Headings referring to certain articles  
and “parts thereof”

- 73.15 - Chain and parts thereof, of iron or steel
- 87.15 - Baby carriages and parts thereof
- 91.11 - Watch cases and parts thereof



# Session VI: classification of parts

## Specific provisions

### Section or Chapter Notes governing the classification of parts (1)

- Chapter 82 - Note 2
- Chapter 83 - Note 1
- Section XVI - Note 2
- Chapter 90 - Note 2
- Chapter 95 - Note 3

## Session VI: classification of parts

### Specific provisions

Section or Chapter Notes governing the classification of parts (2)

May include certain conditions:

- ✓ Nature of the material (Note 2 to Chapter 82)
- ✓ Suitability for use solely or principally with the parent article (Note 3 to Section XVII)

## Session VI: classification of parts

### Conclusions

- No specific general rules
- “Parts” are “articles”
- Classification according to specific provisions, if there are any

## Session VI: classification of parts

### “Parts of general use”

Note 1 (g) to Section XVI:

- This Section does not cover:
- (a) (...) (f)
- (g) **Parts of general use**, as defined in Note 2 to Section XV, of base metal (Section XV), or similar goods of plastics (Chapter 39);

## Session VI: classification of parts

### “Parts of general use”

#### Other Notes:

- Note 2 to Chapter 82 (“[...] are in all cases excluded”)
- Note 1 to Chapter 83
- Note 2 (b) to Section XVII
- Note 1 (f) to Chapter 90
- Note 1 (c) to Chapter 91
- Note 1 (a) to Chapter 92
- Note 1 (b) to Chapter 93
- Note 1 (d) to Chapter 94
- Note 1 (k) to Chapter 95
- Note 1 (d) to Chapter 96

## Session VI: classification of parts

What are “Parts of general use”?

## Session VI: classification of parts

What are “parts of general use”?

- Particular group of articles
- General purpose type goods
- Whether or not designed for a particular machine or purpose
- Of base metal (Section XV) or of plastics (Chapter 39)



## Session VI: classification of parts

### Note 2 to Section XV

“Parts of general use” means:

- Articles of 73.07, 73.12, 73.15, 73.17, 73.18
- Springs or leaves for springs (other than clock or watch springs)
- Articles of 83.01, 83.02, 83.08, 83.10 and frames and mirrors, of 83.06

## Session VI: classification of parts

In other words, the following articles:

- Tube and pipe fittings (73.07)
- Stranded wire, ropes, cables, plaited bands, slings and the like (73.12)
- Chain (73.15)
- Nails, tacks, drawing pins, corrugated nails, staples (73.17)
- Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter-pins, washers (73.18)
- Springs or leaves for springs (other than clock or watch springs) (73.20)

## Session VI: classification of parts

And:

- 83.01: Padlocks and locks; clasps and frames with clasps, incorporating locks; keys
- 83.02: Mounting, fittings suitable for furniture, doors, staircases, windows, blinds, coachwork, saddlery, trunks, chests, caskets; hat-racks, hat-pegs, brackets and similar fixtures; castors with mountings; automatic door closers
- 83.08: Clasps, frames with clasps, buckles, buckle-clasps, hooks, eyes, eyelets; tubular or bifurcated rivets; beads and spangles
- 83.10: Sign-plates, name-plates, address-plates, numbers, letters and other symbols (excluding those of 94.05)
- frames and mirrors, of 83.06

All the foregoing of base metal *or of plastics*

## Session VI: classification of parts

Parts of general use

### **Not relevant:**

- Specificity
- Intended use

### **Relevant:**

Presented separately

## **Session VII: Section XVI**

### **Section XVI and Parts**

### ***Scope, Structure and Stories***

## Session VII: Section XVI

What is covered?

### Chapter 84 :

- *Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof*

### Chapter 85 :

- *Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles*

## Session VII: Section XVI

### Chapter 84 vs 85 – is there a possible overlap?

#### Chapter 84 :

- *Machines and appliances may be electrically driven*

#### Chapter 85 :

- *Machinery and equipment may contain mechanical parts*

## Session VII: Section XVI

### Chapter 84 vs. Chapter 85

No exclusion Notes, except for :

- Vacuum cleaners of heading 85.08
- Electro-mechanical domestic appliances of heading 85.09
- Digital cameras of heading 85.25
- Apparatus of heading 84.86



## Session VII: Section XVI

### Household type vs. industrial type

Note 3 (scope of heading 85.09) :

- Specific machines of any weight
- Other machines of a weight not exceeding 20 kg, but not listed in the exclusion paragraph
- For all machines : of the kind commonly used for domestic purposes

When **not** “of the kind commonly used for domestic purposes” :

Chapter 84

# Session VII: Section XVI

## Structure of Chapter 84



Priority classification by virtue of :

- Note 2 (within Chapter 84):
  - ✓ Headings 84.01 to 84.24 priority
  - ✓ Some exceptions (84.19, 84.22 and 84.24)
- Note 9 (subject to Note 1 to S. XVI and Note 1 to Ch. 84 - for the whole Nomenclature):
  - ✓ Machines and apparatus of heading 84.86 priority (also over 84.01 to 84.24)
  - ✓ Does not apply to “parts and accessories” of heading 84.86

## Session VII: Section XVI

### Structure of Chapter 84



Headings 84.02 to 84.24 :

- Final product:
  - ✓ Pump
  - ✓ Air conditioning (e.g., for buildings)
  
- To be used in other applications (therefore a “part”):
  - ✓ Pump (to be incorporated into engines)
  - ✓ Air conditioning (e.g., for cars)

# Session VII: Section XVI

## Structure of Chapter 85



Two main categories:

- Components (in many cases to be used in or with other goods)
- (Consumer) goods :
  - ✓ 85.08 – 85.10
  - ✓ 85.13 – 85.31
  - ✓ 85.39

## Session VII: Section XVI

### Structure of Chapter 85



Any potential conflicts?

Note 2 - priority classification

- 85.01 to 85.04 do not apply to goods described in 85.11, 85.12, 85.40, 85.41 or 85.42
  
- No need to refer to GIR 3!

## Session VII: Section XVI

### Structure of Chapter 85



Any potential conflicts?

Descriptions (definitions/restrictions) :

- Note 4: memory or storage cards, and smart cards
- Note 5: printed circuits
- Note 6: connectors for optical fibres
- Note 8: semiconductor devices and electronic integrated circuits
- Note 9: spent primary cells, batteries and accumulators

# Session VII: Section XVI

- Many articles of Ch. 84 and 85 to be used in the further production process, i.e., “parts”
- “Parts” mentioned in separate headings or with the parent article
- Potential conflict?
- Any provision?

## Session VII: Section XVI



### Classification of parts in Section XVI: Note 2 to Section XVI

Subject to Note 1 to Section XVI, Note 1 to Chapter 84 and Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified **according to the following rules** :

- (a) Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are **in all cases to be classified in their respective headings**;
- (b) Other parts, **if suitable for use solely or principally** with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 84.79 or 85.43) are to be classified with the machines of that kind or in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 85.17 and 85.25 to 85.28 are to be classified in heading 85.17.
- (c) **All other parts** are to be classified in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate or, failing that, in heading 84.87 or 85.48.



## Session VII: Section XVI

### Subject to Note 1 to Section XVI

#### List of main articles excluded

- Any article of the following **materials** :
  - ✓ Vulcanised rubber, other than hard rubber
  - ✓ Leather or composition leather
  - ✓ Furskin
  - ✓ Textile material
  - ✓ Precious or semi-precious stones except unmounted worked sapphires and diamonds for styli (heading 85.22)

## Session VII: Section XVI

### Note 1 to Section XVI (Contd.) :

- Transmission or conveyor belts or belting, of plastics, or endless belts of metal wire or strip
- Bobbins, spools, cops, cones, cores, reels or similar supports, of any material
- Parts of general use of base metal, or similar goods of plastics
- Drill pipe
- Articles of Chapters 82, 83, 90, 91 or 95 or of Section XVII

## Session VII: Section XVI

### Subject to Note 1 to Chapter 84

- Millstones, grindstones or other articles of Chapter 68
- Machinery or appliances (for example, pumps) of **ceramic material** and ceramic parts of machinery or appliances of any material
- Laboratory glassware and other articles for technical uses or parts thereof, of **glass**
- Articles of heading 73.21 or 73.22 or similar articles of other base metals

## Session VII: Section XVI

### Note 1 to Chapter 84 (Contd.)

- Vacuum cleaners of heading 85.08
- Electro-mechanical domestic appliances of heading 85.09
- Digital cameras of heading 85.25
- Hand-operated mechanical floor sweepers, not motorised (heading 96.03)

## Session VII: Section XVI

### Subject to Note 1 to Chapter 85

- Electrically warmed blankets, bed pads, foot-muffs or the like
- Electrically warmed clothing, footwear or ear pads
- Other electrically warmed articles worn on or about the person
- Articles of glass of heading 70.11
- Machines and apparatus of heading 84.86
- Vacuum apparatus of a kind used in medical, surgical, dental or veterinary purposes (Chapter 90)
- Electrically heated furniture of Chapter 94

## Session VII: Section XVI



### Note 2 to Section XVI:

[P]arts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified **according to the following rules** :

(a)

(b)

(c)

## Session VII: Section XVI



### Note 2 to Section XVI:

[P]arts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified **according to the following rules** :

(a) Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are **in all cases to be classified in their respective headings**;

(b)

(c)

## Session VII: Section XVI

### Note 2 to Section XVI:

- Parts which are goods included in any of the headings of Chapter 84 or 85:
  - ✓ Liquid pump for car engine (heading 84.13)
  - ✓ Compressor for freezing equipment (heading 84.14)
  - ✓ Fan for air conditioner (heading 84.14)
  - ✓ Electric motor for dvd-player (heading 85.01)
  - ✓ Battery pack for cellular telephone (heading 85.07)



## Session VII: Section XVI



### Note 2 to Section XVI:

[P]arts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified **according to the following rules** :

(a)

(b) Other parts, if **suitable for use solely or principally** with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 84.79 or 85.43) are **to be classified with the machines** of that kind or in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 85.17 and 85.25 to 85.28 are to be classified in heading 85.17;

(c)

## Session VII: Section XVI

### Note 2 to Section XVI:

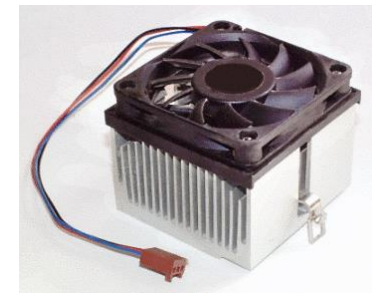
(b) Other parts, if **suitable for use solely or principally (...)** are **to be classified with the machines** of that kind (...)

Some examples (pictures for reference only):

✓ Wind turbine blades (part of wind engine)



✓ Heatsink with fan (part of ADP machine)



✓ Flexible keyboard (part of cellular telephone)

## Session VII: Section XVI



### Note 2 to Section XVI:

[P]arts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified **according to the following rules** :

(a)

(b)

(c) **All other parts** are to be classified in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate or, failing that, in heading 84.87 or 85.48.

# Session VII: Section XVI



EU Case C-297/13  
(Ruling of 15 May 2014)

Question referred to the Court:

‘Is note 2 (a) to Section XVI to be interpreted as meaning that goods that **fulfil the conditions both** for classification **as a part within the meaning of heading 8473** of the Combined Nomenclature (CN) and for classification **as individual goods under another heading of Chapter 84** of the CN or **a heading of Chapter 85** of the CN **are to be classified under the other heading** because **heading 8473 of the CN does not take precedence** over the other headings of Chapter 84 and the headings of Chapter 85 of the CN?’

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EU Case C-297/13

Products, being parts of ADP machines, potentially classifiable in one of the following headings:

- 84.22
- 84.56
- 85.01
- 85.04
- 85.43
- 85.44

# Session VII: Section XVI

## EU Case C-297/13

Court:

- no definition of the term “part”
- “part” implies a whole for the operation of which the part is essential
- mechanical or electrical functioning of the machine depends on that article (i.e., the “part”)

# Session VII: Section XVI

## EU Case C-297/13

Court:

- Note 2 (a) to Section: classification of the goods according to their characteristics
- however, reference to heading 84.73 (and other headings) in parenthesis
- what is the meaning of these parenthesis?
  - ✓ reflects content of GIR 3 (a): more specific heading
  - ✓ heading 84.73 is generic heading
  - ✓ classification in that heading not possible, as the other headings of Ch. 84 and 85 are more specific

# Session VII: Section XVI

## EU Case C-297/13

Court's conclusions on heading 84.73:

- residual heading and
- subsidiary vis-à-vis headings covering parts of machines as individual goods
- goods at issue to be classified as individual goods in their respective headings



# Session VII: Section XVI



**Thank you**

**Any questions?**

## **Session VIII: High-Tech**

Mr. Tom Beris

Technical Officer WCO

# Session IX: Summary and wrap-up

**THAT'S ALL !**  
(for module 3)