



Fundamental for International Shipping

# HS Codes & Tariff Classifications



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# Understanding HS Codes

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We encourage independent research directly with regulators and to see professional counsel as necessary.



Fundamentals for International Shipping

# Harmonized System

## HS Code

## Tariff Classification



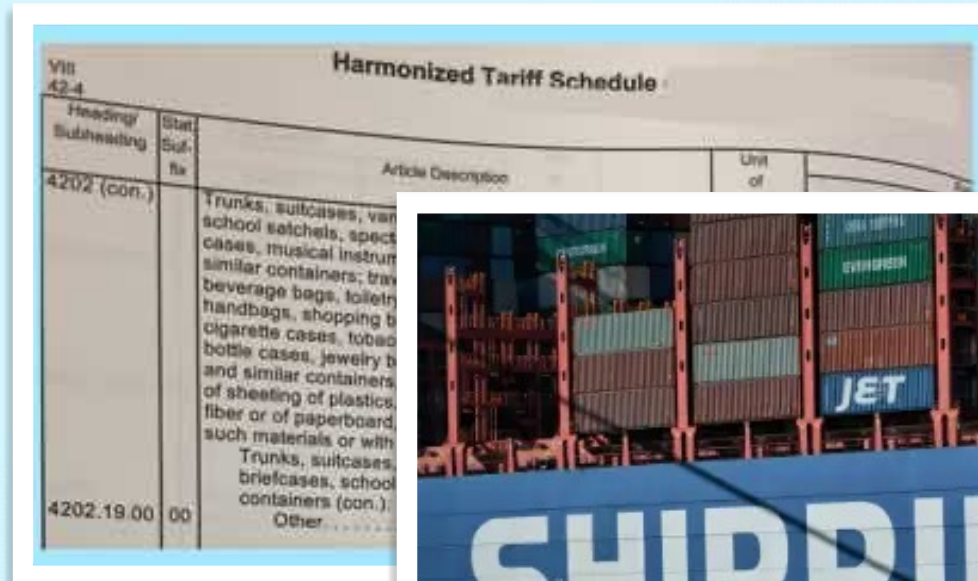


# Most



## Fundamental for International Shipping

- A way to classify goods using a globally recognized system
- Importers and Exporters are responsible for correct classification (even if using a customs broker)



Harmonized Tariff Schedule

Heading Subheading	Stat Sub- fix	Article Description	Unit of
4202 (con.)		Trunks, suitcases, vanity cases, school satchels, spectacle cases, musical instrument cases, similar containers; travel bags, toiletry handbags, shopping bags, cigarette cases, tobacco cases, jewelry boxes and similar containers of sheeting of plastics, fiber or of paperboard, such materials or with	
4202.19.00	00	Trunks, suitcases, briefcases, school containers (con.); Other	



# Understanding HS Codes

## HS Code

Country of Origin

Value

= Resulting duty assessment

3926.20		Pre-shave, shaving or after-shave preparations, deodorants, bath preparations, depilatories and other perfumery, cosmetic or toilet preparations, not elsewhere specified or included; prepared room deodorizers, whether or not perfumed or having disinfectant properties:
3307		
7301		Sheet piling of iron or steel, whether or not drilled, punched or made from assembled elements; welded angles, shapes and sections, of iron or steel:
7611.00.00		Aluminum reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquefied gas), of a capacity exceeding 300 liters, whether or not lined or heat insulated, but not fitted with mechanical or thermal equipment
3926.20.60	00	Plastic rainwear, including jackets, coats, ponchos, parkas and slickers, featuring an outer shell of polyvinyl chloride plastic with or without attached hoods, valued not over \$10 per unit
8416.20.00		Other furnace burners, including combination burners
4417.00		Tools, tool bodies, tool handles, broom or brush bodies and handles, of wood; boot or shoe lasts and trees, of wood:

7611.00.00		Aluminum reservoirs, tanks, vats and similar containers, for any material (other than compressed or liquefied gas), of a capacity exceeding 300 liters, whether or not lined or heat insulated, but not fitted with mechanical or thermal equipment
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- ➡ Understanding Country of Origin
- ➡ Verifying the correct declared value



# Understanding HS Codes

# What is a shoe?

1234.56.78.90

8466.00.00

6405.20.00.00

8205.00.00

8529.00.00.00

8240.20.10.00



# Understanding HS Codes

## Tariff Codes and Product Classification

- A globally recognized way to classify goods for exports and imports
- Developed by the World Customs Organization (WCO)
- Each country have their own system built on WCO standards

### GRI General Rules of Interpretation





# Understanding HS Codes

## General Rules of Interpretation

### First General Rule of Interpretation:

The classification is based on the terms of the headings and any relative section or chapter notes. If the heading or notes do not expressly require a specific interpretation, the terms are to be taken in their usual trade sense.

The HS Code contains 6 digits that can be broken down into three parts.

**Section XVI**

Chapter 85

Heading 8501

Subheading 8501.10

MACHINERY AND MECHANICAL APPLIANCES

Electric Machinery, etc.

Electric motors and generators

Motors of an output not  
exceeding 37.5 W





# Understanding HS Codes

## General Rules of Interpretation

### Second Rule of Interpretation: Essential character

When goods consist of different materials or are made up of different components, classification is determined according to the material or component that gives the goods their essential character. If that cannot be determined, it is classified based on the material or component that comes first in the numerical order of the headings.

SCHEDULE B NUMBER	DESCRIPTION	UOM
85.01	⊞ Electric motors and generators (excluding generating sets):	
8501.10	⊞ - Motors of an output not exceeding 37.5 W:	



SCHEDULE B NUMBER	DESCRIPTION	UOM
85.12	⊞ Electrical lighting or signaling equipment (excluding articles of heading 8539), windshield wipers, defrosters and demisters, of a kind used for cycles or motor vehicles; parts thereof:	
8512.40	⊞ - Windshield wipers, defrosters and demisters:	
8512.40.2000	-- Defrosters and demisters	No.
8512.40.4000	-- Windshield wipers	No.

**Note:** A link to Canada’s Rules of Interpretation is included on [!\[\]\(003082e50e3009141f59bd5df831749f\_img.jpg\) Jet’s blog on HS Codes](#)

# Understanding HS Codes

Canadian, USA and other countries HS Codes

The first 6 digits of Canadian and US HS codes are the global standard. The difference between HS codes is usually in the following digits. The additional digits are reserved for each country to assign as needed.

- In Canada: The Harmonized schedule Canadian Customs Tariff
- In the United States: The Harmonized Tariff Schedule is via the USHTS
- All countries publish their own versions



Government  
of Canada

Gouvernement  
du Canada

Customs Tariff 2022  
[Read More](#)



United States  
International Trade Commission

Updates to HS Tariff  
[Read More](#)

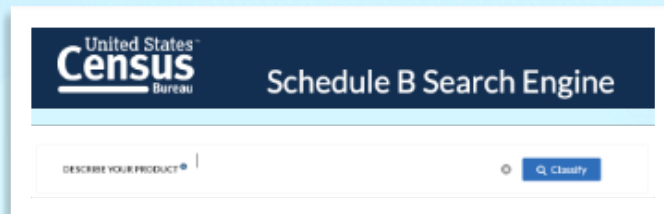
Note: A link to Canada and USA full tariff schedules are on  [Jet's blog on HS Codes](#)



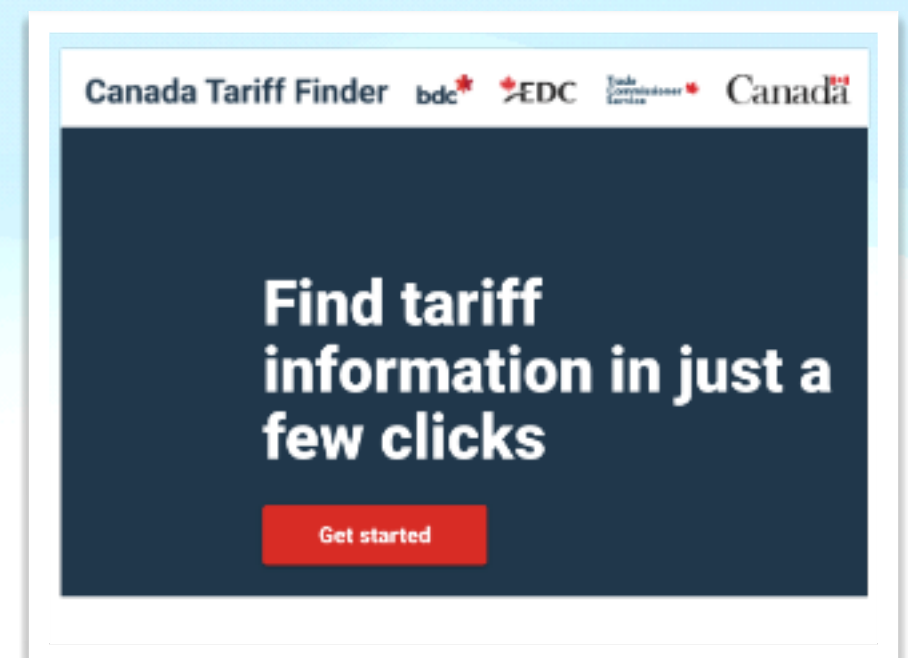
# Understanding HS Codes

## International Resources for Finding an HS Code

### US Census Bureau Find a HS Code



### Canada Export Development Corp



The HS code from the exporting country is likely different than the HS code used for importing.

Note: A link these tools are included on [Jet's blog on HS Codes](#)



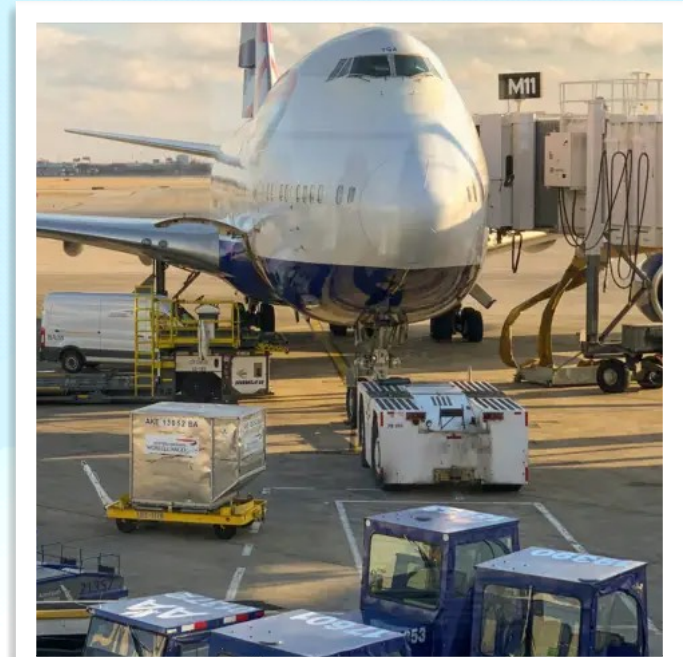


# Understanding HS Codes

## Generic Harmonized System (GHS) to Canada

Canada has a tariff classification process for qualified postal and courier imports. The system may be used in lieu of a more detailed classification. Some other countries offer similar options.

This gives the option to apply one of three generic Most-Favoured-Nation (MFN) tariff rates. Assessment on “special classification provisions” found in Chapter 98 of Canada’s Customs Tariff.



**GHS Tariff Structure**

Tariff Item	MFN Tariff	Preferential Tariff Treatment
9825.10.00	20%	e.g. UST/MT/ CT - Free
9825.20.00	8%	e.g. UST/MT/ CT - Free
9825.30.00	0%	e.g. UST/MT/ CT - Free

Source: CBSA Sept 2021 presentation



# Understanding HS Codes

## Advance Ruling

Companies can request and advance ruling to confirm they are applying the correct HS code. This is particularly helpful for difficult classifications and for high value imports. It can protect against a post entry audit claiming otherwise. Most customs authorities offer this type of service.

**Note:** A link these tools are included on  
 [Jet's blog on HS Codes](#)

