

Advanced Trade in Goods Workshop Honiara, Solomon Islands

Day 2 Session : HS Classification



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Overview

1. Introduction on HS Code
2. Explanation of the exercise
3. Small group discussions on the case studies
4. Report back on discussions
5. How does PACER Plus assist traders on Classification issues

The HS Code – HS2022

- Administered by the World Customs Organisation
- Revised every 5 years
 - Current version (HS2022) entered into force on 1 January 2022
 - Next version (HS2027) already being prepared
- Used for classification by 212 countries

The HS Code – HS2022

- 96 Chapters (first 2 digits)
- 1228 Headings (first 4 digits)
- 5612 Subheadings (first 6 digits)
- Member countries are free to break up Subheadings further for domestic tariff purposes
 - Australia uses an 8-digit tariff code with 11,000+ split Subheadings
 - The United States uses a 10-digit tariff code with 17,000+ split Subheadings

Today's exercise

- Break up into small groups of 3-5 people
 - Try to ensure that there is at least one Customs official in each group
- Handouts provide a picture of two products
 - Each has three possible HS classifications
 - Additional information from Explanatory Notes and General Rules of Interpretation is provided to assist
- Discuss what you think is the correct classification for each product

Example 1: Plastic Ukulele



Example 2: Combined Ceiling Light and Exhaust Fan



Resource materials for Customs officials and traders

- General Rules for the Interpretation of the Harmonized System
- Headnotes for each Chapter in the HS Code
 - Provide some definitions and guidance on terminology
 - List which similar goods are not classified in Headings of the Chapter
- WCO Explanatory Notes for the HS Code
 - 5 volumes with Amending Supplements
 - constitute the WCO's official interpretation of the Harmonized System at the international level
 - Available from the WCO in hardcopy or by subscription

PACER Plus Chapter 4 – Customs Procedures

Article 10: Advance Rulings

1. To the extent permitted by its domestic laws, regulations and administrative practices and its capacity, each Party upon receiving an application pursuant to paragraph 2(a), shall through its Customs Administration provide written advance rulings on tariff classification and origin of goods, and, if the Party has implemented the Agreement on Customs Valuation on questions arising from the application of that Agreement to goods.

Thank you

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