

SUMMARY:

How to Classify Goods Imported into The United States.

GENERAL RULES OF INTERPRETATION

Because the number of goods and materials that can enter the world of international trade are virtually limitless, a step by step procedure has been formulated to assist you in classifying such articles in the HS. This approach is applied through the use of seven fundamental rules. These rules are called the General Rules of Interpretation (GRI's). The GRI's are the primary basis for classification of articles in the HS.

GRI #1: Simply stated, if the articles are specifically provided for in a heading or subheading, you should classify it as such, WITH proper and careful consideration of the relative legal notes. EXAMPLE: In the application of GRI #1; Household Microwave ovens are specially provided for under sub-heading 8516.50, Tomato Juice falls under heading 2009 and Crude Asbestos can be found under heading 2524. Let us review how the required considerations of the Legal Notes govern a classification. If we are considering how to classify salted crabmeat, unfit for Human consumption, we might be tempted to look no further than heading 0306. However, by virtue of a Legal note 1(b) of Chapter 3, the proper classification of this article is under heading 0511

GRI #2(a): The first clause of GRI 2(a) provides that headings include not only the completed articles but also incomplete or unfinished articles that have the essential character of the completed article. It also includes disassembled articles that are otherwise complete or have the essential character of the completed article. Keep in mind that components of the incomplete article have to be presented for entry at the same time. Also that the unassembled articles can only be assembled by means of simple fixing procedures involving riveting, welding, and/or the use of screws, nuts, bolts, etc. EXAMPLE: Goods that are classified by use of GRI #2(a): Knocked down metal filing cabinet for Household use (heading 9403), Weight lifting station, imported without the weights (heading 9506).

GRI #2(b): This rule extends all of the HS headings that relate to a material that is not entirely of the named material, e.g., mixture of chemicals, or a specific article such as a bulletin board made of cork with a cardboard frame, or a retail set consisting of a hair clipper and a comb. These items can be classified together, but we must go to GRI 3 to assist us in properly classifying these articles.

GRI #3: If goods appear to be classifiable under two or more headings (see GRI2(b)), three methods are provided to resolve this apparent dilemma. They are in order:

GRI 3(a). Use the heading that is the most specific. A classification by the name of the article is more specific than a classification by the class in which the article can be

described. EXAMPLE: a Fork lift Truck fitted with handling equipment should not be classified under 8428 “Other lifting Machinery” but rather 8427.

GRI 3(b). Consider the essential character of the material or good insofar as they are mixtures of different materials or compounds or articles imported as sets for retail sale. EXAMPLE: our previous example of a Cork Bulletin board with a cardboard frame would have the essential character of an article of cork, heading 4503. The example of a set consisting of a hair clipper and comb would have the essential character of a hair clipper and would fall under heading 8510.

GRI 3(c). When a good or material cannot be classified by use of GRI's 1, 2(a), 2(b), 3(a) or 3(b); the user should refer to GRI 3(c). This rule tells you that if two or more headings seem to equally describe the article then you should use the heading that occurs latest in the HS. This rule can only take effect PROVIDED the terms of headings or Section or Chapter Notes do not guide you to a specific heading.

The balance of the GRI's apply only when the first three GRI's have failed to provide a proper classification for your articles or under certain very specific circumstance.

GRI #4: If an article cannot be classified by careful consideration of the first three GRI's, the article should be classified like those that they are most akin (alike). This GRI would be used only if a careful review of the first three GRI's do not help you classify an article. This GRI would be used rarely. EXAMPLE: A California cooler, consisting of a mixture of lemonade and wine (heading 2204).

GRI #5: The rule provides that MOST cases, or containers imported with the article for which they were intended for are to be classified with such article. EXCEPTION: This rule does not apply to containers or packing material that are clearly suitable for repetitive use.

GRI #6: For comparison purposes, subheadings at the same level are comparable and equal.

GENERAL RULES OF INTERPRETATION, US NOTES

US INTERPRETIVE RULE #1: Applies only in the absence of specific provisions to the contrary.

1(a). Classification controlled by use other than actual use is to be determined by the use in the United States immediately after importation (Customs clearance).

1(b). Classification controlled by actual use only if such use is intended at time of importation AND proof of such use is provided within three years after importation.

1(c). Classifications providing for parts of an article shall only cover products solely or principally used as parts unless the parts are specially provided for elsewhere in the HS.

1(d). In classification of textiles or articles that name textiles as a part of the article, the user should refer to legal Note 2 of Section XI.

TARIFF PROVISIONS FOR ‘PARTS’

A provision for parts of an article covers products solely or principally used as a part of such articles but a provision for “parts” or “parts and accessories” shall not prevail over a specific provision for such part or accessory.

PARTS FOR GENERAL USE

The expression “Parts of General Use” means:

- (A) Articles of heading LN 2 7307, 7312, 7315, 7317, or 7318 and similar articles of other base metal.
- (B) Springs and leaves for springs, of base metal, other than clock or watch springs (heading 9114).
- (C) Articles of heading 8301, 8302, 8308, 8310 and frames and mirrors of base metal, of heading 8306. In Chapter 73-76 & 78-82 (but not heading 7315), reference to parts of goods do not include reference to parts of general use as defined above. Subject to the proceeding, and to Chapter 83, LN 1, the articles of Chapter 82 & 83 are excluded from Chapter 72-76 & 78-81.

PARTS AND ACCESSORIES

In general, a part is a part if it cannot be used on its own but must be combined with other articles to form goods capable of fulfilling an intended function. Accessories are those articles that are not needed or required in order to operate the item that the accessories are for. A review of U.S. Rule 1(c) is important in considering a classification for parts or accessories. Therefore, classification of Parts and Accessories in the HS might be done in several different ways:

- * Classified under its own heading. This is, the article is specifically described elsewhere in the tariff, e.g. Pumps.
- * Classified with the article if the heading for the article allows this.
- * Classified in specific heading for Parts and Accessories.