



it's all about compliance – part 2

MSK Client Alert

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Part 1 of this series addressed how to value goods correctly, and can be read [here](#). This edition provides import classification tips.

Under U.S. law, imported goods are classified for duty assessment and statistical reporting using the Harmonized Commodity Description and Coding System. This compilation of 97 Chapters and approximately 5,000 product descriptions, known in the U.S. as the Harmonized Tariff Schedule of the United States (HTSUS), provides a single modern structure for product classification and is used by more than 200 countries as a basis for their customs tariff and collection of international trade statistics. The first six digits and their corresponding product descriptions are enacted by the countries World Trade Organization member countries. The remaining digits in any tariff number (which total 10 in the U.S.) and their corresponding duty rates are set individually by each country. The HTSUS in the U.S. has 99 chapters, with the two unique ones intended to cover product specific provisions, such as American goods returned, products assembled abroad, special rules imposed on given products (for example, temporary quotas), and so on.

Tariff classification of goods under the HTSUS is governed by the General Rules of Interpretation (GRIs) which are analyzed in order until one applies. In so doing, don't forget to also check the additional U.S. rules of interpretation.

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