

Mandatory HS

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Effective May 1st, 2002, the correct 10-digit HS Code will be mandatory at or before time of entry of your goods into Canada on either the highest value invoice line or any commodity within the shipment that is a reasonable representation of the nature of the goods. It is important that this information be passed on to your foreign suppliers.

What is HS?

The Harmonized Commodity Description and Coding System (Harmonized System [HS]) is an international goods classification system developed by the Customs Co-operation Council (also known as the World Customs Organization). This system is used by most countries including the US and Canada for both imports and exports. This is generally a 10-digit number with the first six digits being international in scope. The last four are generally country specific. As an example the HS classification number for Padlocks in Canada is 8301.10.00.00. In the USA, the last four digits change depending on specific characteristics of the Padlock. This number is extremely important in determining among other things, duty rates; other Customs requirements; other government department requirements; and trade data. It is also used by Customs in their risk targeting programs and in trade agreements such as in the NAFTA rules of origin. Some useful web sites to learn more about and to use this classification system are as follows:

<http://207.61.56.166/services/servicee.htm> (Canada Customs tariff)
<http://dataweb.usitc.gov/SCRIPTS/tariff/toc.html> (US Customs tariff)
<http://www.customs.ustreas.gov/imp-exp1/comply/icp017r2.pdf> (How to)

What will this mean?

There are many ramifications. **Without this number, shipments will be delayed.** A small percentage of foreign suppliers do currently provide this number to us on their customs documents, **most do not.** If this number is not supplied on the customs documents, we will assign this if there is enough information available. To further facilitate this process suppliers must also be encouraged to provide complete descriptions on their Customs invoices in addition to the HS number. Without a complete description along with the other mandatory data elements (i.e.: country of manufacture), shipments will be delayed. If a shipment arrives outside regular business hours without prior notice and without a complete description and/or without a country of manufacture stated, it may be delayed until the next morning.

Complete Descriptions

Customs documents must provide a complete description of the goods they refer to. This should include a general description and a proper identifying description in commercial terms. Part numbers or Model number are never sufficient on their own. The Customs definition of a complete description can vary depending on the commodity but in all cases this should be complete enough to enable classification to the 10th digit.

For the complete Canada Customs notice, go to: <http://www.ccra-adrc.gc.ca/E/pub/cm/cn410eq/cn410-e.html>

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