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The Customs Classification General Interpretative Rules (GIRs) are a set of internationally recognized guidelines that provide a standardized framework for classifying goods under the Harmonized System (HS), which is used to assign numerical codes for goods in international trade. These rules ensure that goods are classified consistently across different countries, facilitating international trade and harmonizing customs procedures globally. The Harmonized System, developed by the World Customs Organization (WCO), consists of a 6-digit code structure used to classify products for customs purposes. The General Interpretative Rules (GIRs) are designed to clarify how goods should be classified within the system. Overview of the General Interpretative Rules (GIRs): There are six General Interpretative Rules that provide guidance on how to interpret the classification of goods, particularly when multiple classification options might be possible. These rules help determine the correct tariff classification based on the nature and characteristics of the goods, as well as their intended use. Rule 1: The Title of the Sections, Chapters, and Sub-Chapters Rule 1 provides that the classification of goods should first be determined by the headings (titles of sections, chapters, and sub-chapters) in the Harmonized System. This rule emphasizes that the titles of the sections, chapters, and sub-chapters are used for general guidance, but they are not necessarily determinative of classification. The correct classification should be based on the actual content of the headings and any applicable notes. Example: If a product is classified under a chapter related to "machinery," the heading title will provide an initial guide, but further examination of the product and any relevant notes is necessary to confirm the classification. Rule 2: Additional Considerations for Parts and Accessories Rule 2 addresses how to classify parts, accessories, and combinations of goods. The rule states that: Parts and accessories are classified according to the classification of the principal product with which they are used. Parts are classified in the same heading as the principal good if they are essential to its function. Rule 2(a): If the goods are essential components or parts of a larger product, they should be classified under the same heading as the principal product. Example: A motor used in an electric fan would be classified under the same heading as the electric fan. Rule 2(b): Accessories or optional parts, if they are specifically designed or intended to be used with the principal product, are classified accordingly. Example: Spare parts for an automobile might be classified under the same heading as the automobile. Rule 3: Goods to be Classified According to the Most Specific Description Rule 3 provides that when goods cannot be classified based on the headings or sub-headings, classification should follow the most specific description. This means that when there are multiple headings or sub-headings that seem appropriate, the goods should be classified according to the one that describes them most precisely. Rule 3(a): If goods are described in more than one heading, the more specific description prevails. Rule 3(b): If goods are not described in any heading, classification should be based on the goods' most specific characteristics, even if they seem to fit under a general category. Example: If a product has parts that belong to two different categories, classification should follow the category that best describes the product's main function or structure. Rule 4: Classification by Use or Function Rule 4 provides that goods should be classified according to their use or function, particularly when goods are designed for specific purposes. If the goods are used for a particular function and are not classified elsewhere, they may be classified under the heading that corresponds to that specific use. Example: If a machine part is designed specifically for use in a particular industry (e.g., a specialized part for a printing press), it should be classified based on its intended function. Rule 5: Goods Made of Different Materials or Combinations of Goods Rule 5 addresses how to classify goods that are made from different materials or a combination of different goods. The classification is based on the component that gives the goods its essential character, or if it is not clear, the classification will follow the product's function. Example: A leather bag with a metal frame would generally be classified based on the leather as it gives the bag its essential character, though the metal frame is important for the structure. Rule 6: Classification by Legal Notes and Sub-Chapters Rule 6 indicates that when the above rules do not provide a clear classification, reference should be made to the legal notes and the section or chapter notes. This rule specifies that all customs regulations, legal provisions, and sub-chapter notes should be considered when classifying goods. Example: Certain goods may have special rules based on legal notes provided by the Harmonized System or by national customs regulations, such as specific tariff exemptions or conditions for certain goods. Summary of the GIRs: Rule 1: Classification is primarily based on the titles of sections, chapters, and sub-chapters but should consider the actual content. Rule 2: Parts and accessories are classified according to the classification of the principal product. Rule 3: Goods to be classified according to the most specific description. Rule 4: Goods should be classified according to their intended use or function. Rule 5: For goods made from different materials or combinations, classification should follow the material or component that provides the essential character. Rule 6: When rules do not provide clarity, the relevant legal and chapter notes should be consulted. Importance of the General Interpretative Rules (GIRs): Standardization: The GIRs provide a standardized approach to classification, ensuring uniformity in the application of tariff codes globally, which simplifies international trade and customs procedures. Clarity: They help clarify situations where goods may fall into multiple categories or when unusual or complex goods are involved. Trade Facilitation: Consistent and clear classification leads to accurate tariff rates, reducing the risk of disputes and delays at customs. Compliance: By following these rules, companies can ensure compliance with customs regulations and avoid penalties or misclassification. In summary, the General Interpretative Rules are essential for classifying goods within the Harmonized System, ensuring that customs authorities, businesses, and traders have a consistent and fair framework for determining tariff codes in international trade. (I) This Rule provides three methods of classifying goods which, prima facie, fall under two or more headings, either under the terms of Rule 2(b) or for any other reason. These methods operate in the order in which they are set out in the Rule. Thus Rule 3(b) operates only if Rule 3(a) fails in classification, and if both Rules 3(a) and (b) fail, Rule 3(c) will apply. The order of priority is therefore (a) specific description; (b) essential character; (c) heading which occurs last in numerical order.(II) The Rule can only take effect provided the terms of headings or Section or Chapter Notes do not otherwise require. For instance, Note 5 (B) to Chapter 97 requires that goods covered both by the description in one of the headings 97.01 to 97.05 and by the description in heading 97.06 shall be classified in one of the former headings. Such goods are to be classified according to Note 5 (B) to Chapter 97 and not according to this Rule. RULE 3 (a)(III) The first method of classification is provided in Rule 3 (a), under which the heading which provides the most specific description of the goods is to be preferred to a heading which provides a more general description.(IV) It is not practicable to lay down hard and fast rules by which to determine whether one heading more specifically describes the goods than another, but in general it may be said that:(a) A description by name is more specific than a description by class (e.g., shavers and hair clippers, with selfcontained electric motor, are classified in heading85.10 and not in heading84.67 as tools for working in the hand with selfcontained electric motor or in heading85.09 as electromechanical domestic appliances with selfcontained electric motor).(b) If the goods answer to a description which more clearly identifies them, that description is more specific than one where identification is less complete. Examples of the latter category of goods are:(1) Tufted textile carpets, identifiable for use in motor cars, which are to be classified not as accessories of motor cars in heading87.08 but in heading57.03, where they are more specifically described as carpets.(2) Unframed safety glass consisting of toughened or laminated glass, identifiable for use in aircraft but not advanced beyond having been shaped, is to be classified not in heading 88.01, 88.02 or 88.06 but in heading 70.07, where it is more specifically described as safety glass.(V) However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description than the others. In such cases, the classification of the goods shall be determined by Rule3(b) or 3(c).RULE 3 (b)(VI) This second method relates only to:(i) Mixtures.(ii) Composite goods consisting of different materials.(iii) Composite goods consisting of different components.(iv) Goods put up in sets for retail sale.It applies only if Rule3(a) fails.(VII) In all these cases the goods are to be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable.(VIII) The factor which determines essential character will vary as between different kinds of goods. It may, for example, be determined by the nature of the material or component, its bulk, quantity, weight or value, or by the role of a constituent material in relation to the use of the goods.(IX) For the purposes of this Rule, composite goods made up of different components shall be taken to mean not only those in which the components are attached to each other to form a practically inseparable whole but also those with separable components, provided these components are adapted one to the other and are mutually complementary and that together they form a whole which would not normally be offered for sale in separate parts.Examples of the latter category of goods are:(1) Ashtrays consisting of a stand incorporating a removable ash bowl.(2) Household spice racks consisting of a specially designed frame (usually of wood) and an appropriate number of empty spice jars of suitable shape and size.As a general rule, the components of these composite goods are put up in a common packing.(X) For purposes of this Rule, the term goods put up in sets for retail sale shall be taken to mean goods which:(a) consist of at least two different articles which are, prima facie, classifiable in different headings. Therefore, for example, six fondue forks cannot be regarded as a set within the meaning of this Rule;(b) consist of products or articles put up together to meet a particular need or carry out a specific activity; and(c) are put up in a manner suitable for sale directly to end users without repacking (e.g., in boxes or cases or on boards). Retail sale does not include sales of products which are intended to be re-sold after further manufacture, preparation, repacking or incorporation with or into other goods. The term goods put up in sets for retail sale therefore only covers sets consisting of goods which are intended to be sold to the end user where the individual goods are intended to be used together. For example, different foodstuffs intended to be used together in the preparation of a ready-to-eat dish or meal, packaged together and intended for consumption by the purchaser would be a set put up for retail sale. Examples of sets which can be classified by reference to Rule 3(b) are:(1) (a) Sets consisting of a sandwich made of beef, with or without cheese, in a bun (heading16.02), packaged with potato chips (French fries) (heading20.04); Classification in heading16.02. (b) Sets, the components of which are intended to be used together in the preparation of a spaghetti meal, consisting of a packet of uncooked spaghetti (heading19.02), a sachet of grated cheese (heading04.06) and a small tin of tomato sauce (heading21.03), put up in a carton: Classification in heading19.02. The Rule does not, however, cover selections of products put up together and consisting, for example, of: a can of shrimps (heading16.05), a can of pt de foie (heading16.02), a can of cheese (heading04.06), a can of sliced bacon (heading16.02), and a can of cocktail sausages (heading16.01); or a bottle of spirits of heading22.08 and a bottle of wine of heading22.04. In the case of these two examples and similar selections of products, each item is to be classified separately in its own appropriate heading. This also applies, for example, to soluble coffee in a glass jar (heading21.01), a ceramic cup (heading69.12) and a ceramic saucer (heading69.12) put up together for retail sale in a paperboard box. (2) Hairdressing sets consisting of a pair of electric hair clippers (heading85.10), a comb (heading86.15), a pair of scissors (heading82.13), a brush (heading96.03) and a towel of textile material (heading63.02), put up in a leather case (heading42.02); Classification in heading85.10.(3) Drawing kits comprising a ruler (heading90.17), a disc calculator (heading90.17), a drawing compass (heading90.17), a pencil (heading96.09) and a pencilsharpener (heading82.14), put up in a case of plastic sheeting (heading42.02). Classification in heading90.17. For the sets mentioned above, the classification is made according to the component, or components taken together, which can be regarded as conferring on the set as a whole its essential character.(XI) This Rule does not apply to goods consisting of separately packed constituents put up together, whether or not in a common packing, in fixed proportions for the industrial manufacture of, for example, beverages.RULE 3 (c)(XII) When goods cannot be classified by reference to Rule 3 (a) or 3 (b), they are to be classified in the heading which occurs last in numerical order among those which equally merit consideration in determining their classification. Contact usPublications and formsCBSA Glossary General Rules There are six General Rules used in interpreting (applying) the Tariff. These are known as the General Rules of Interpretation (GIR) 1 through 6. Rules one to four are related and must be applied in sequence. Rules five and six stand on their own to be applied as needed. Rule 1 The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions [that is, GIRs 2 to 6]: Explanation: This is the first Rule to be considered in classifying any product. Most products are classified according to this rule. For practical purposes, we can break this rule down into 2 parts: 1) The words in the Section and Chapter titles are to be used as guidelines ONLY to point the way to the area of the Tariff in which the product to be classified is likely to be found. Articles may be included in or excluded from a Section or Chapter even though the titles might lead one to believe otherwise. 2) Classification is determined by the words (terms) in the Headings (the first four numbers) and the Section and Chapter Notes that apply to them unless the terms of the heading and the notes say otherwise. In other words, if the goods to be classified are covered by the words in a heading and the Section and Chapter Notes do not exclude classification in that heading, the heading applies. So find a Heading that is worded in such a way as to include the product in question. And carefully check the Section and Chapter notes to see if the product is mentioned specifically as being included or excluded. Most goods should be correctly classifiable by reference to Rule 1 alone. If the results of this process are ambiguous and two or more Headings appear to be applicable, then Rule 3 should be applied. When you read Rule 2 you will see why it would not be next Rule in such cases. Simple Example: If you were importing Christmas tree candles, it would seem logical to classify them with Classification Number 9505.10.00.90: Other, articles for Christmas festivities. However, when reading the Notes to Chapter 95, it clearly states this Chapter does not cover Christmas tree candles. In fact, we must classify them with the Classification Number 3406.00.00.00: Candles, tapers and the like. Rule 2: (a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or failing to be classified as complete or finished by virtue of this Rule), presented unassembled or disassembled. (b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of Rule 3. Explanation: Rule 2 (a) deals with the classification of unfinished, incomplete, unassembled or disassembled goods. Unfinished and incomplete goods can be classified under the same Heading as the same goods in a finished state provided that they have the essential character of the complete or finished article. As well, unassembled or disassembled goods may also be classified the same as the complete finished product. This rule does not apply if the text of the Heading or the relevant Legal Notes exclude the unfinished or unassembled product in question. Example: An automobile missing only its wheels would be classified the same as if it were complete. Explanation: Rule 2 (b) lays the groundwork for dealing with products, not classifiable through the use of Rule 1 or Rule 2 (a), which are composed of a mixture of materials or substances. It basically states that a Heading referring to a given material or substance includes mixtures of that substance with others. Similarly, a reference to a product composed of a given material or substance includes products composed either wholly or partly of the material or substance. This means that a mixed product may seem to be eligible for classification under two or more Headings. However, a given product can legally only be classified under one Heading. Rule 3 must be used to decide between alternate Headings. Example: If you were importing dicalcium citrate, the Tariff does not specifically state this compound. However, it is a compound containing more than one material and its essential character is that of a salt of citric acid. Therefore, dicalcium citrate qualifies as Classification Number 2918.15.90.19: Salts and esters of citric acid, Other. Rule 3: When by application of Rule 2 (b) or for any other reason, goods are, prima facie, classifiable under two or more headings, classification shall be effected as follows: (a) The heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods. (b) Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to 3(a), shall be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable. (c) When goods cannot be classified by reference to 3(a) or 3(b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration. Explanation: Rule 3 (a) states that where 2 or more Headings seem to apply, the one which provides the most specific description of the product in question should be used. This means that a Heading which names the actual product should be used in preference to one which only names a category to which the product could belong. Similarly, a Heading that describes the whole product should be used in preference to one which describes part of it. However, where two Headings both only describe part of the product, this rule cannot be used to tell which one to use even if one seems more specific or detailed than the other. Example: Mint tea is not stated specifically, as a product, in the Tariff. Although the product descriptions available are mint and tea, the importer must classify mint tea under the appropriate tea Heading because it provides the most specific product description and mint is only the flavour of the tea. Explanation: Rule 3 (b) applies to mixtures, composite goods and sets that cannot be classified by use of the previous Rules. These should be classified as if they consisted of the material or component which gives them their essential character. Example: An importer bringing in "liquor gift sets" (that include the bottle of liquor and glasses) must classify the goods under the appropriate liquor Heading. The essential character of the item is the liquor itself and not the glasses contained within the set. Explanation: Rule 3 (c) is for use in cases in which a good seems to fit in more than one Heading and the essential character cannot be determined. In this case, the product should be classified under the Heading which occurs last in numerical order. Example: A gift set which includes socks (Heading number 6115) and ties (Heading number 6117) cannot be classified by the previous rule since neither item gives the gift set its essential character. The gift set must be classified under the Heading number for ties which is the Heading that occurs last in numerical order. Rule 4: Goods which cannot be classified in accordance with the above Rules shall be classified under the heading appropriate to the goods to which they are most akin. Explanation: This is a "last resort" rule, most often used with new products. Rule 5: In addition to the foregoing provisions, the following Rules shall apply in respect of the goods referred to therein: (a) Camera cases, musical instrument cases, gun cases, drawing instrument cases, necklace cases and similar containers, specially shaped or fitted to contain a specific article or set of articles, suitable for long-term use and presented with the articles for which they are intended, shall be classified with such articles when of a kind normally sold therewith. This Rule does not, however, apply to containers which give the whole its essential character; (b) Subject to the provisions of Rule 5 (a) above, packing materials and packing containers presented with the goods therein shall be classified with the goods if they are of a kind normally used for packing such goods. However, this provision does not apply when such packing materials or packing containers are clearly suitable for repetitive use. Explanation: Rule 5 specifies how to classify containers. Rule 5 (a) deals with containers which: are shaped or fitted for the article they will contain, are suitable for long-term use, protect the article when not in use, are of a kind normally sold with such articles, are presented with the articles they are designed to contain. Containers which have these characteristics can be classified with the products which they contain. However, in cases where the container gives the product its essential character, it would be the container which would have to be classified. Example: Rule 5 (a) would apply to flute cases because flutes are normally sold with their cases (due to their specific shape) and are intended for long term use. Explanation: Rule 5 (b) deals with other types of containers and packing materials. These should be classified with the goods they contain if they are of a kind normally used for packing such goods and are not suitable for repetitive use. Example: An importer bringing in goods and using styrofoam chips for padding fits well into Rule 5 (b). Styrofoam chips are normally used for the padding and insulation of many goods, however they are rarely reused and are therefore classified with the goods when they enter Canada. Rule 6: For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related Subheading Notes and mutatis mutandis, to the above Rules, on the understanding that only subheadings at the same level are comparable. For the purpose of this Rule the relative Section and Chapter Notes also apply, unless the context otherwise requires. Explanation: Once goods have been classified to the Heading level by the use of international Rules 1 to 5, then classification to the Subheading level can now take place by repeating international Rules 1 to 5 and taking into account any related Legal Notes. Additional U.S. Rules of Interpretation 1. In the absence of special language or context which otherwise requires (a) a tariff classification controlled by use (other than actual use) is to be determined in accordance with the use in the United States at, or immediately prior to, the date of importation, of goods of that class or kind to which the imported goods belong, and the controlling use is the principal use; (b) a tariff classification controlled by the actual use to which the imported goods are put in the United States is satisfied only if such use is intended at the time of importation, the goods are so used and proof thereof is furnished within 3 years after the date the goods are entered; (c) 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; and (d) the principles of section XI regarding mixtures of two or more textile materials shall apply to the classification of goods in any provision in which a textile material is named. Top

General rules of interpretation. General rules of interpretation customs. General rules of interpretation on classification. General rules of interpretation customs india.