

HS/Tariff Classification

The World Customs Organization's HS or Tariff Classification nomenclature is used by Customs authorities in more than 200 countries to classify products and assign import/export duty rates and/or licensing controls on all imports/exports.

- **6 General Rules of Interpretation**
 - HS classification is done using 6 general rules of interpretation (GRI)
 - GRIs are not intuitive to use and classification cannot be accurately done if a trader is not well versed with these 6 rules
- **Advanced Rulings/Pre-classification Rulings**
 - Customs in many countries offer advance ruling options to determine HS codes upon request by traders
 - Rulings are legally binding
- **Penalties & Fines for wrong Classification**
 - It is very high risk to classify products incorrectly
 - Wrong HS codes result in traders paying wrong duty rates and/or obtaining wrong licenses
 - Customs can force traders to make good underpaid duties for past imports with additional penalties and fines if such lapses are discovered

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