

Harmonized Tariff Schedule GRI's USA

Presented by:
Frontier Supply Chain Solutions Inc.



HARMONIZED TARIFF SCHEDULE OF THE USA (HTSUS) GRI'S 1-6

TOPICS OF
DISCUSSION



OVERVIEW

This is a reference guide to give an overview of the General Rules of Interpretation (GRIs). We will discuss what GRIs 1-6 and give illustrative examples for each.

OUTLINE:

Definition of the Rules & Illustrative Examples

- Rule 1: Heading, section & chapter notes
- Rule 2: References to articles, materials or Substances
- Rule 3: Goods that fall under two or more headings
- Rule 4: Using similar descriptions when rules 1-3 don't work
- Rule 5: Rules that applied alongside GRI 1-4
- Rule 6: Legal notes

RULE 1:

HEADING, SECTION & CHAPTER NOTES



HEADING, SECTION & CHAPTER NOTES

- A. The table of contents, alphabetical index, and titles of sections, chapters & sub-chapters are intended for ease of reference
- b. Terms of the relative section or chapter notes, and terms of any headings or sub-headings are to be used to determine classifications for legal purposes.
- Provided that the notes, headings & sub-headings are used in conjunction with the following rules

RULE 1:

HEADING, SECTION & CHAPTER NOTES

EXAMPLES

HEADING, SECTION & CHAPTER NOTES

GRI # 1 EXAMPLES:

A - A WOODEN ARMCHAIR

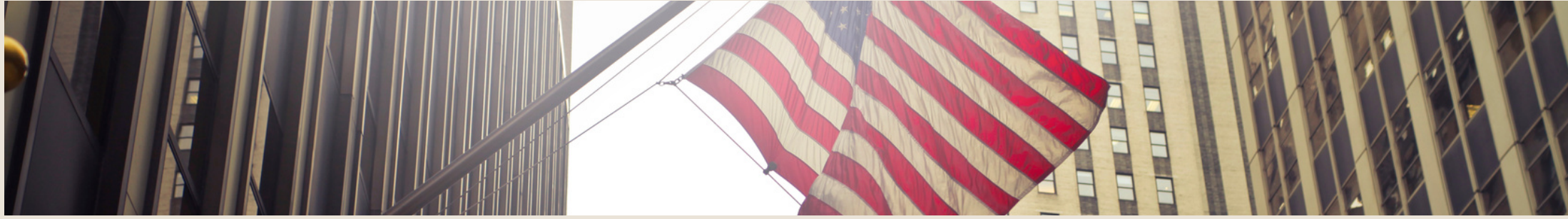
A wooden high chair is imported into the US. Section IX of the HTSUS covers "Wood and articles of wood", but heading 9401 covers "Seats"



B - AN EYELINER PENCIL

An eyeliner pencil is imported into the US. Heading 9609 covers "pencils", but the chapter notes specify that "This chapter does not cover ... Pencils for cosmetic or toilet uses (chapter 33)"





REFERENCES TO ARTICLES, MATERIALS OR SUBSTANCES

A - A REFERENCE TO AN ARTICLE

A reference to an article will include the incomplete or unfinished article as long as the essential character of the article is still present

- i. As long as all of the parts are entered at the same time, this rule also includes disassembled or unassembled articles

RULE 2

REFERENCES TO ARTICLES, MATERIALS OR SUBSTANCES



REFERENCES TO ARTICLES, MATERIALS OR SUBSTANCES

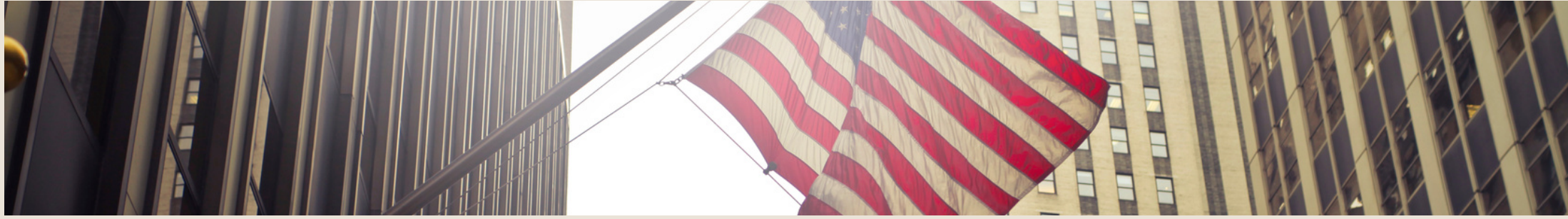
B - REFERENCE TO A MATERIAL OR SUBSTANCE

A reference to a material or substance will include mixtures with other materials or substances.

- i. Goods of a material or substance including goods wholly or partly of that material will be included as in 2(b) as long as another heading does not refer to the goods in a mixed or composite state
- ii. If the use of additional materials changes the essential character mentioned in the heading, then GRI #3 must be used

RULE 2

REFERENCES TO ARTICLES, MATERIALS OR SUBSTANCES



REFERENCES TO ARTICLES, MATERIALS OR SUBSTANCES

C - ESSENTIAL CHARACTER

Note on essential character:

i. “Essential character” is not defined in the HTSUS, and must be determined on a case by case basis. For example, essential character may be determined in part by the nature of the material or component: its bulk, quality, weight, value, or the role of a constituent material in relation to the use of the goods.

RULE 2

REFERENCES TO ARTICLES, MATERIALS OR SUBSTANCES

REFERENCES TO ARTICLES, MATERIALS OR SUBSTANCES

GRI # 2 EXAMPLES:

A - A WOODEN BOOKSHELF

A wooden bookshelf imported into the US either fully assembled or unassembled & flat packed for ease of shipment would have the same classification as it is still a complete bookshelf.



RULE 2
REFERENCES TO ARTICLES, MATERIALS OR SUBSTANCES
EXAMPLE 1

REFERENCES TO ARTICLES, MATERIALS OR SUBSTANCES

GRI # 2 EXAMPLES:

B - BICYCLE WITHOUT PEDALS

A bicycle is imported into the US without pedals. This is an incomplete bicycle, but it still retains the essential character of the complete item and would be classified as such

i. A bicycle frame, however, would not be classified as a completed bicycle even if it can be argued that the essential character is present, as under GRI # 1, bicycle frames are provided for under subheading 8714.91.



RULE 2
REFERENCES TO
ARTICLES,
MATERIALS OR
SUBSTANCES

EXAMPLE 2

RULE 3:

GOODS THAT
FALL UNDER
TWO OR MORE
HEADINGS

GOODS THAT FALL UNDER TWO OR MORE
HEADINGS:

MORE SPECIFIC DESCRIPTIONS ARE
PREFERRED OVER LESS SPECIFIC
DESCRIPTIONS.

I. When two or more headings each refer to only part of the material or substance in a mixed or composite good, or to only part of a retail set, the headings are considered equally specific even if one gives a more complete or precise description of the good(s).

1. Retail sets would need to meet the following criteria:

- a. Consists of at least two different articles which are classifiable in different headings. (e.g. two table spoons would not qualify as a “set”)
- b. Consist of products or articles put up together to meet a particular need or carry out a specific activity and are put up in a manner suitable for retail sale without repacking.

RULE 3:

GOODS THAT FALL UNDER TWO OR MORE HEADINGS



GOODS THAT FALL UNDER TWO OR MORE HEADINGS:

B- MIXED OR COMPOSITE GOODS

Mixed or composite goods are classified as the material or substance that give the good its essential character whenever possible.

C- WHEN 3(A) & 3(B) CANNOT BE APPLIED

If a more specific description is not available, or if a material or substance does not give the good its essential character (in other words, if 3(a) & 3(b) cannot be applied), use the HTSUS number that occurs last numerically of all HTSUS numbers that apply to the various materials or substances.

RULE 3:

GOODS THAT
FALL UNDER
TWO OR MORE
HEADINGS

EXAMPLE 1

GOODS THAT FALL UNDER TWO OR MORE HEADINGS

GRI # 3 EXAMPLE 1

UNFRAMED SAFETY GLASS

A product identified as “unframed safety glass made of toughened or laminated glass that is shaped and identifiable for use in airplanes” is identified more specifically under heading 7007 by the description “safety glass” than it is by heading 8803 by the description “parts of goods of heading 8801 or 8802 (parts of aircraft and spacecraft)”.



RULE 3:

GOODS THAT
FALL UNDER
TWO OR MORE
HEADINGS

EXAMPLE 2

GOODS THAT FALL UNDER TWO OR MORE HEADINGS

GRI # 3 EXAMPLE 2:

ELECTRIC SHAVERS

Electric shavers imported into the US would be more specifically identified by heading 8510 by the description “Shavers, hair clippers and hair-removing appliances, with self-contained electric motor” than they would by heading 8509 with the description “electromechanical domestic appliances with self-contained electric motor”.



RULE 3:

GOODS THAT
FALL UNDER
TWO OR MORE
HEADINGS

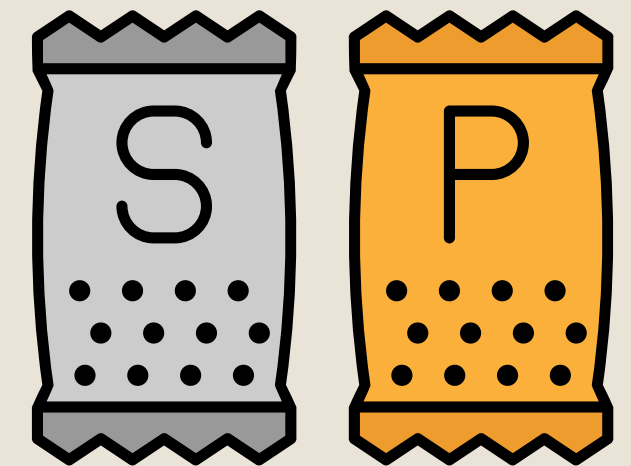
EXAMPLE 3

GOODS THAT FALL UNDER TWO OR MORE HEADINGS

GRI # 3 EXAMPLE 3:

PLASTIC CUTLERY SETS

Plastic cutlery sets packaged with a napkin, salt & pepper in an individual plastic pouch would qualify as a set and the plastic cutlery would provide the essential character. The plastic cutlery would be more specifically described under heading 3924 as “Tableware, kitchenware, other household articles and hygienic or toilet articles, of plastics” than it would under heading 8215 as “Spoons, forks, ladles, skimmers, cake-servers, fish-knives, butter-knives, sugar tongs and similar kitchen or tableware; and base metal parts thereof”.



RULE 3:

GOODS THAT
FALL UNDER
TWO OR MORE
HEADINGS

EXAMPLE 3

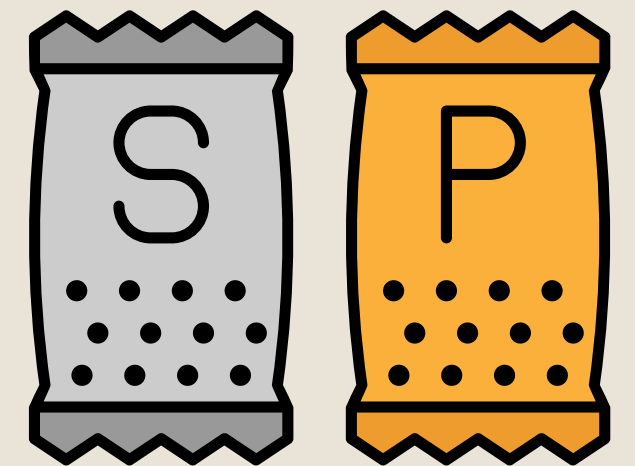
GRI # 3 EXAMPLE 3 CONTINUED:

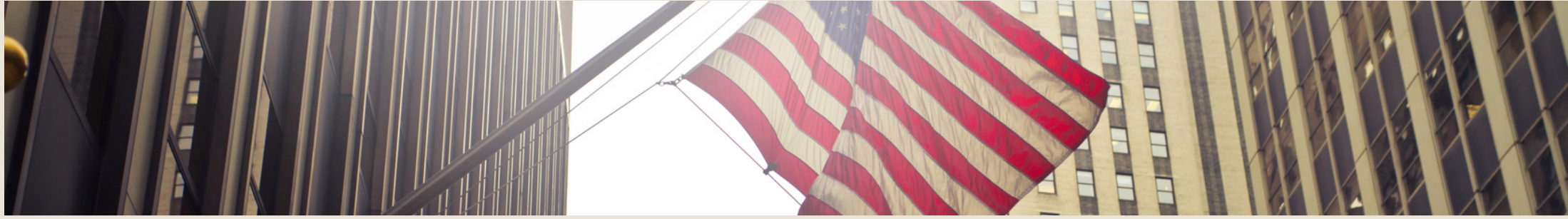
PLASTIC CUTLERY SETS

i. This is due to chapter note 1 which states, in part, that: "this chapter covers only articles with a blade, working edge, working surface or other working part of:

1. Base metal;
2. Metal carbides or cermets;
3. Precious or semiprecious stones (natural, synthetic or reconstructed) on a support of base metal, metal carbide or cermet; or
4. Abrasive materials on a support of base metal, provided that the articles have cutting teeth, flutes, grooves or the like, of base metal, which retain their identity and function after the application of the abrasive."

ii. This is an application of both GRI # 1 and # 3





USING SIMILAR DESCRIPTIONS WHEN RULES 1-3 DON'T WORK

A - AKIN GOODS

When you are unable to use GRI 1-3, use the heading describing goods to which the item being classified is most similar (akin)

- a. When determining similarity (kinship) of goods, take factors such as description, character, purpose or intended use, designation, production processes, and nature of the goods.

RULE 4
USING SIMILAR
DESCRIPTIONS
WHEN RULES 1-3
DON'T WORK

USING SIMILAR DESCRIPTIONS WHEN RULES 1-3 DON'T WORK

GRI # 4 EXAMPLES:

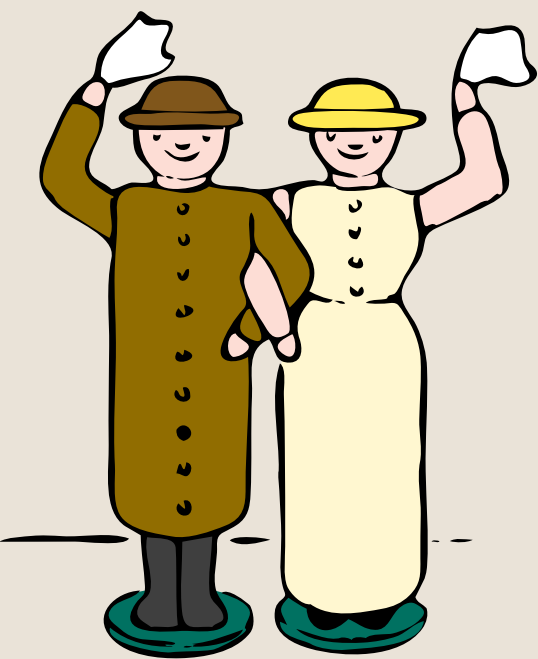
CD LENS CLEANER

A CD lens cleaner with system check would be classified under 8523.41.0000 as "unrecorded optical media" even though the main purpose is cleaning the CD lens, because this is what the product is most like.



BREAD DOUGH FIGURE

A figure is made from bread dough. The dough is dried and painted. It is not bread because it cannot be eaten, so it would be most like a ceramic statue under 6913.90



RULE 4
USING SIMILAR DESCRIPTIONS WHEN RULES 1-3 DON'T WORK
EXAMPLES 1 & 2

RULE 5:

THE FOLLOWING
RULES ARE
APPLIED
ALONGSIDE GRI
1-4



**THE FOLLOWING RULES ARE APPLIED
ALONGSIDE GRI 1-4**

A - SPECIALIZED CASES

Specialized cases, shaped or fitted to a product, suitable for long term use and imported with the product they were shaped or fitted for are classified with the product they were shaped or fitted for.

i. This rule does not apply if the case gives the case/product combination its essential character.

RULE 5:

THE FOLLOWING
RULES ARE
APPLIED
ALONGSIDE GRI
1-4



**THE FOLLOWING RULES ARE APPLIED
ALONGSIDE GRI 1-4**

B - PART OF GOODS

Based on the same considerations as rule 5(a), packing materials and containers entered with the goods they contain are classified as part of the goods therein if they are the normal type of packing materials or containers for those goods.

i. This rule does not apply if the packing materials or container are suitable for repetitive use.

RULE 5:

THE FOLLOWING
RULES ARE
APPLIED
ALONGSIDE GRI
1-4

EXAMPLE 1

THE FOLLOWING RULES ARE APPLIED
ALONGSIDE GRI 1-4

GRI # 5 EXAMPLE 1 & 2

VIOLIN WITH CASE

A violin imported with its case would have both the violin and case classified under heading 9202. If the case were imported separately it would fall under heading 4202.



CORONA BEER

If Corona beer was packaged in a commemorative growler size (64 oz) bottle made from stainless steel with an attached closure, the growler would need to be classified separately as it is suitable for repetitive use. However, Corona packaged in aluminum cans would have the can be included with the beer as it is not suitable for repetitive use.





RULE 6: LEGAL NOTES

For legal purposes, classification of goods in a heading is determined by the terms of the subheading and related notes.

NOTE A

Only subheadings under the same heading are comparable.

NOTE B

Relative section, chapter & subchapter notes apply unless the circumstances or context require otherwise.

GRI # 6 EXAMPLE:

a. GRI # 6 would require GRI # 1 through # 5 to be reused at each level (heading, subheading, etc.) of the HTSUS.

RULE 6

LEGAL NOTES & EXAMPLE



SUMMARY

- Heading, section & chapter notes
- References to articles, materials or Substances
- Goods that fall under two or more headings
- Using similar descriptions when rules 1-3 don't work
- Rules that applied alongside GRI 1-4
- Legal notes

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