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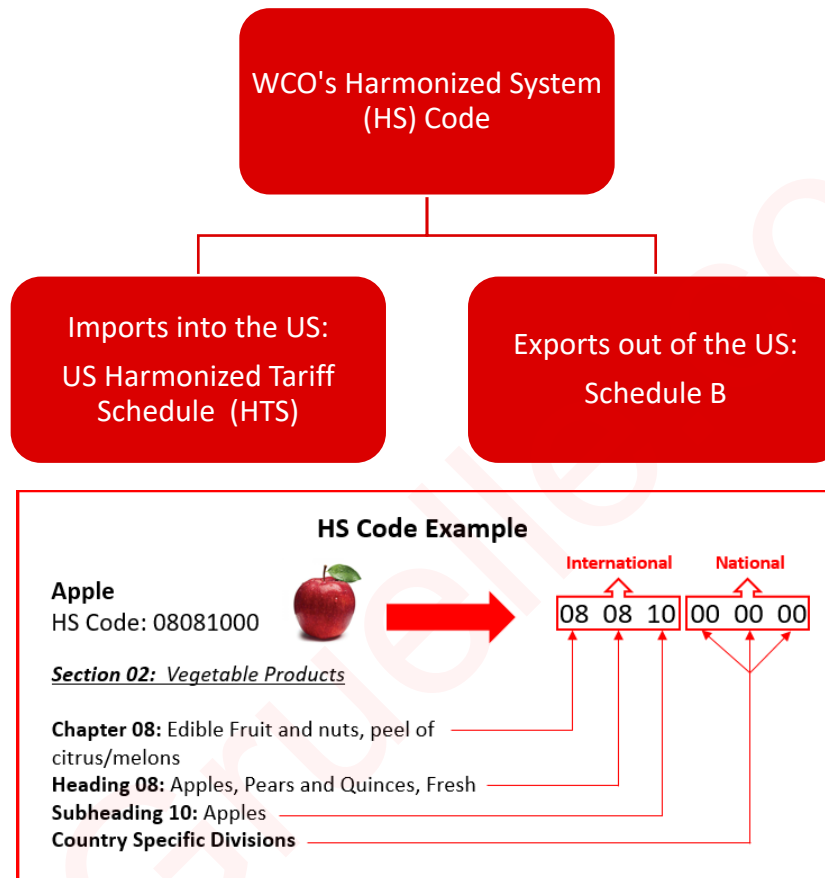
Codified Classification Systems for International Commerce

Engaging in the international market has more complexities than domestic sales. One of those complexities are accurately communicating what goods are being imported or exported to U.S. Custom officials and foreign government agencies alike. This is accomplished not only by a proper description of the good, but a codified classification number that best suits the goods and their end-use. These classification numbers have been organized and put into force by international & domestic regulatory bodies to accomplish three main goals: (1) to create a universal “language” for international trade, (2) be more readily able to determine what is being imported or exported out of a country, and (3) establish tariff rates in a more organized manner. There are multiple classification systems and depending on whether you are importing or exporting determines which of them is to be used. The following has the purpose to aid in understanding what exactly these classification systems are, and how they are used.

The origin of these classification systems can be traced back to the [World Customs Organization](#) (“WCO”), which is an international organization comprised of customs administrations from 184 member countries. WCO’s work is focused on customs-related issues and sets goals towards standardizing customs practices through international conventions and agreements. On January 1st 1988, the WCO put into force a 6-digit classification system titled, “Harmonized Commodity Description and Coding System”, also known as the “[Harmonized System](#)”. This system was internationally adopted to standardized how countries are to classify goods in a codified manner. After this international agreement, each nation had the foundational building blocks to create their own harmonized tariff schedules based around their specific needs and concerns. The final product of this international standardization is a uniformed, yet unique coding systems reaching up to 12-digits in length based off each country’s needs.

In the case United States, we have two separate 10-digit classification systems: One for import, and the other for exports. The classification system for imports is the “[U.S. Harmonized Tariff Schedule](#)” (USHTS), and the one for exports is called “[ScheduleB](#)”. The USHTS is maintained by the U.S. International Trade Commission and has the main purposes of organizing U.S. tariff rates for goods being imported and communicating to Customs and Border Protection what is being imported. The ScheduleB is administered by the U.S. Census Bureau’s Foreign Trade Division and has the main purposes of collecting statistical data and communicating to Customs and Border Protection what is being exported.

READING THE CLASSIFICATION SYSTEMS



The **Harmonized System ("HS")** is an international classification system administered by the World Customs Organization. The 2-, 4-, and 6-digit HS headings and subheadings are the basis for the 10-digit statistical classification systems used in the United States (USHTS & Schedule B). The HS is revised approximately every five years. The codes of the HS are commonly referred to as "HS Codes".

The **U.S. Harmonized Tariff Schedule ("USHTS")** comprises a hierarchical structure for describing all goods in trade for duty, quota, and statistical purposes. This structure is based upon the international Harmonized System (HS), administered by the World Customs Organization. This classification system is used for all imports into the United States and is valid to use for most exports; however, it is highly recommended to strictly use Schedule B for all export shipments.

The **Schedule B** is the counterpart to the USHTS and is designated for all exports out of the United States. This classification system does not always line up to the HTS system and is recommended to strictly utilize this classification system for all exports. This classification system is not valid for any import shipments.



Seeking the US Government's Guidance

Customs Rulings Online Search System (CROSS): <https://rulings.cbp.gov/home>

CROSS is a searchable database of CBP rulings that can be retrieved based on simple or complex search characteristics using keywords and Boolean operators. CROSS has the added functionality of CROSS referencing rulings from the initial search result set with their modified, revoked or referenced counterparts.

Rulings collections are separated into Headquarters and New York and span the years 1989 to present. Collections can be searched individually or collectively.

Schedule B Search Engine: <http://uscensus.prod.3ceonline.com/>.

A search engine to help identify your goods Schedule B Code.

USA Trade Online: <https://usatrade.census.gov>.

The official source of U.S. merchandise trade data, offers current and historical U.S. import and export statistics. Use USA Trade Online to:

- Appraise trading trends and market outlook
- Improve market research and development
- Measure the impact of foreign competition
- Use trade data as a statistical resource for determining trade policies

US International Trade Commission Assistance: https://www.usitc.gov/tariff_affairs/hts_help.

An emailing hotline for your questions and concerns regarding HTS Code selection.