

Practical Guide

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# Method of Tariff Classification

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### Warning

This guide and its content are purely informational and are subject to the general terms of use published on the [Single Window for Logistics](#) portal.

### Who is this practical guide for?

This practical guide is targeted at all persons involved in the international marketing of goods. The explanations below explain the methods and rules used to determine the [tariff classification](#) of goods.

### What is the purpose of a tariff classification?

Determining tariff classification is an essential step in the marketing or purchasing of goods internationally.

It is indeed used to determine the 8-digit Combined Nomenclature (CN) code used for the unique identification of goods in the following declarations:

- [Intrastat](#), for movements of goods between two Member States of the European Union (EU)
- export from an EU Member State
- release for free circulation (importation) in an EU Member State

For release for free circulation and the determination of customs duties due, the CN code is completed by two additional digits to obtain the 10-digit TARIC code.

The tariff classification also determines the application of commercial policy measures (prohibitions, restrictions, etc.).

### What to do if you have a doubt concerning a tariff classification?

In case of doubt concerning the CN or TARIC classification, or in order to obtain a binding tariff classification throughout the EU, an operator may request a [binding tariff information](#) from the [Customs and Excise Administration](#).

## Understanding the structure of the Combined Nomenclature code

For every type of goods there is a corresponding unique CN code. The difficulty is to determine which CN code should be used among the 21,000 codes existing in the Combined Nomenclature. The Combined Nomenclature is presented in the form of an organized catalog that codifies all goods and is updated each year by a [European Regulation](#).

The different CN codes are organized in the Combined Nomenclature into sections, chapters, headings and customs subheadings:

### I. The Combined Nomenclature includes 21 sections and 99 chapters.

Each section covers a category of products, and each chapter deals with a family of products.

Example
<p>Section IX targets the following categories of products:</p> <ul style="list-style-type: none"> <li>Wood and articles of wood, wood charcoal,; cork, and articles of cork; manufactures of straw and basketry products</li> </ul> <p>Chapters 44 to 46 in section IX, target the following families of products:</p> <ul style="list-style-type: none"> <li>Chapter 44 – wood and articles of wood, wood charcoal</li> <li>Chapter 45 – cork and articles of cork</li> <li>Chapter 46 – manufactures of straw or basketry products</li> </ul>

### II. Within each chapter, the 4-digit terms of headings describe more specifically the different products. The 6-digit terms of subheadings detail the product specificities.

Example					
<p>The structure of the Combined Nomenclature may be illustrated as follows, for example, for imported pure-bred breeding sheep:</p>					
<table border="1" style="display: inline-table; border-collapse: collapse;"> <tr> <td style="width: 20px; text-align: center;">01</td> <td style="width: 20px; text-align: center;">04</td> <td style="width: 20px; text-align: center;">10</td> <td style="width: 20px; text-align: center;">10</td> </tr> </table>	01	04	10	10	Chapter 01 concerns live animals
01	04	10	10		
Chapter	Chapter 01 concerns live animals				
Heading	Heading 0104 concerns live sheep and goats				
Subheading	Subheading 010410 specifies sheep				
CN code	CN code 01041010 specifies -- pure-bred breeding animals				

The Combined Nomenclature includes moreover, preliminary provisions, additional notes of section or chapter and notes of subheading that must be used to make the tariff classification.

The preliminary provisions include the description of the tariff classification method that follows.

## Method of tariff classification

The following rules must be followed chronologically for the tariff classification.

### III. Rule no. 1: Preponderance of terms of headings and notes

Rule no. 1 specifies that the **titles of sections and chapters have a purely indicative value**. Classification shall be determined based on the terms of headings and the notes of section and chapter.

#### Example

A **maritime container** is classified in heading 8609, which is located **in chapter 86 "railway or tramway locomotives**, rolling stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electromechanical) traffic signaling equipment of all kinds".

Contrary to the chapter title that only targets railways, heading 8609 00 specifically targets **containers designed and equipped for carriage by one or more modes of transport**

### ➤ Rule no. 2a: Incomplete and unfinished articles

Rule no. 2a specifies that the heading concerns **the complete or finished product, even disassembled, but also the incomplete unfinished product, if it has the essential character** of the complete or finished product.

This rule applies, subject to the condition that the different elements of an incomplete or disassembled article are all **presented at the same time for customs clearance** and are intended to be later **assembled**. Therefore, incomplete articles requiring additional work after import, as well as incomplete articles that are subject to successive presentation to customs are excluded from this rule.

#### Example

If, for logistical reasons, a machine is disassembled, all the parts are classified as machine

Rule no. 2a does not apply to disassembled parts of electronic devices whose final use will depend on additional elements that will be added at a later time because they do not present the essential characteristics of the complete or finished article.

### ➤ Rule no. 2b: Importance of the constituent material

Rule no. 2b indicates that **the heading that mentions a material includes that material**, either pure or mixed or combined with other materials.

The constituent material of goods is therefore an objective element of their classification.

#### Example

A plastic pot is classified in chapter 39, plastics and articles thereof

A glass pot is classified in chapter 70, glass and glassware

➤ **Rule no. 3: In case several headings are possible**

Rule no. 3 indicates that if several headings are possible, one must apply rules 3a, 3b and then 3c in the order given below:

➤ **Rule no. 3a: the specific heading**

The **specific heading prevails over the general heading**: If the article in question specifically appears in a tariff heading then that tariff heading prevails.

Example
Tires for recreational vehicles are not classified in chapter 87 as parts and accessories for vehicles since they have their own specific classification 4011 10 in chapter 40 (rubber and articles thereof)

If none of the possible headings is more specific than the others, you must use Rule no. 3b.

➤ **Rule no. 3b: the material or article that gives the essential character**

Rule no. 3b applies if the use of Rule no. 3a does not allow to assign a tariff heading to the articles.

Essential character **can be assessed by asking whether the product, deprived of one or more of its components, would or would not keep the properties that characterize it**. Depending on the type of goods, the essential character may derive from:

- the nature of their constituent material, or
- the articles that compose it, their volume, quantity, weight, value, or
- the importance of one of the constituent materials with respect to the use of the goods.

Rule no. 3b is, for example, used for the classification of sets for retail sale.

Example
A glass pot attached to a stone base is classified in chapter 70, glassware. Deprived of its base, it would keep the properties that characterize it
A shaving kit including an electric shaver (8510), a pair scissors (8213) and an after-shave product (3307) is classified in 8510 for electric shaver, that can be considered as giving the whole its essential character

If no material or any article gives the essential character, Rule no. 3c must be applied.

➤ **Rule no. 3c: the last heading**

Rule no. 3c applies if the use of Rules 3a and 3b does not allow to assign a tariff heading to the articles.

The goods must be classified in the heading which occurs last in numerical order among those which equally merit consideration.

Example
A unisex bathrobe will be classified in heading 6208 (for women) and not in heading 6207 (for men) since the tariff positions women's bathrobes after those for men

If the above-mentioned rules cannot be used, Rule no. 4 must be applied.

➤ **Rule no. 4: classification by analogy**

Rule no. 4 applies if the previous rules do not allow to assign a tariff heading to the articles.

The goods must be classified in the heading appropriate to the goods to which they are most similar. Various criteria may be taken into account: name or use of the goods, essential character, etc.

➤ **Rule no. 5: status of packing containers and packing materials**

Rule no. 5 provides additional specifications on the status of packing containers and packing materials.

➤ **Rule no. 5a: Cartons, cases and product containers**

Rule no. 5a specifies that the cartons, cases and similar containers presented with the articles for which they are intended follow the classification of such article if they are normally sold together, unless the container gives the whole its essential character.

Example
A camera case will be classified in heading 9006 (camera)

➤ **Rule no 5b: Product packaging**

Rule no. 5B specifies that the packaging containing the goods are classified with these goods if they are normally used for this type of goods.

On the other hand, packagings that are suitable for repetitive use follow their own classification.

Example
The packaging carton containing a camera and its case will be classified in heading 9006 (camera)
The container containing camera cartons will be classified in heading 8609 (container)

➤ **Rule no. 6: determination of subheadings**

Rule no. 6 specifies that the same rules 1 to 5 above must be followed for the determination of the subheading within a heading.

Only subheadings of the same level can be compared.

Example
Subheading 6207 91 00 (men's pure cotton bathrobe) can only be compared with an 8-digit subheading, for example 6208 91 00 (women's cotton bathrobe), but not with the 6-digit subheading 6208 91

Rule no. 6 also specifies that the subheading notes must be taken into account. In the case of a contradiction with the section notes or chapter notes, the subheading notes prevail.

[For further information](#)

[Guidelines](#) on the classification in the Combined Nomenclature of goods put up in sets for retail sale

[Tools used to assist with the classification](#) in the Harmonized system on the website of the World Customs Organization

[TARLUX](#) - Integrated tariff of the Grand-Duchy of Luxembourg based on the TARIC