



Five Things Every Importer Must Know About HTSUS

The forth one will surprise you!

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INTRO

What Is HTSUS & Why You Should Be Concerned

What is HTSUS

Harmonized Tariff Schedule of the United States (HTSUS) also referred to as Harmonized Tariff Schedule United States Annotated (HTSA) is used to determine tariff classifications for goods imported into the United States based on the International Harmonized Commodity Description and Coding System. Classification is determined based on name, use, and material used for construction, then a ten-digit code is assigned to the imported goods. Since 1988, HTS codes have been used to determine duty rates for goods imported into the U.S.

Why should you be *concerned*

As the **importer of record**, Customs holds **YOU** accountable for the timely and accurate filing of paperwork. Occasionally, importers will accidentally file their goods under the wrong HTSUS codes. This can lead to an importer's goods being detained, or worse having to pay extensive fines and duties. This is especially true in the event of a misfile that involves goods subject to anti-dumping or countervailing duties.

1

THING ONE

KNOW THE CODE

KNOW THE CODE

Understand the numbers behind identification.

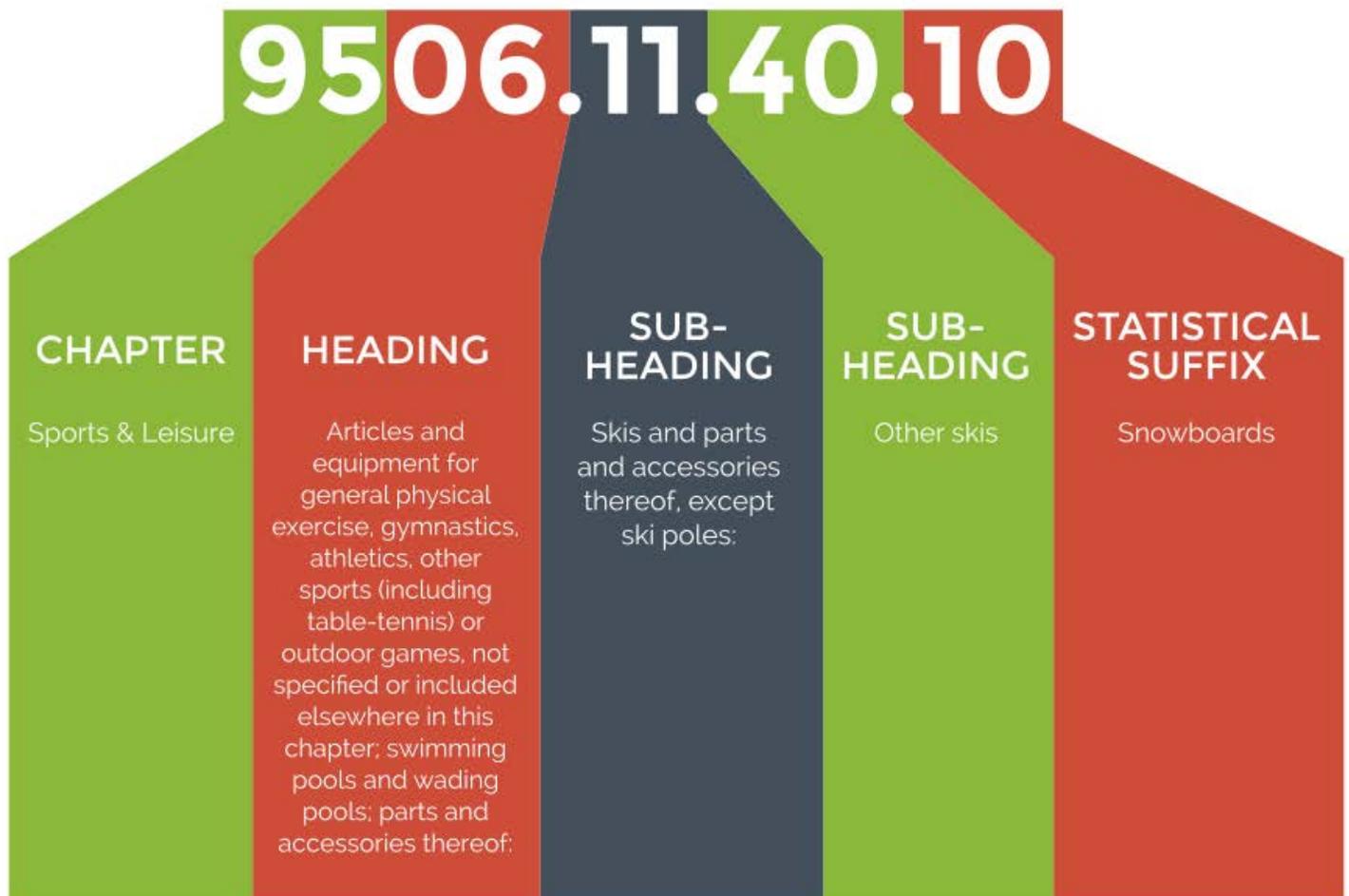
The anatomy of the HTSUS Code is as follows: xxxx . xx . xx . xx. Example: 3901.10.00.00 designates plastics and articles thereof; more specifically, polymers of ethylene, in primary forms. The first six digits together (3901.10) detail the article's heading and subheading within the appropriate HTS chapter. The last four digits (00.00) refer to the applicable subheadings solely regarding U.S. classifications. It's important to note that the first six digits are harmonized with every country that participates in this classification system, but the last four are specific to the U.S. This is because the first six digits are for international classification and any numbers following refer to applicable duties that are individually established by each country.

KNOW THE CODE

A breakdown of the structure of HTSUS codes.

HTSUS Code Example

9506.11.40.10



2

THING TWO

READING THE NOMENCLATURE

READING THE NOMENCLATURE

Understanding the details behind the code.

Knowing how to read HTS Codes regarding notes and classification is imperative. The HTS nomenclature is broken down into six parts, each one relating differently to the imported commodities. The General Rules of Interpretation is made up of six internationally established rules, which are meant to be read in order to determine the applicable category of an import. In the General Notes section the rules and duties that apply to a commodity can be found. The Section Notes part dictates the use of terms and the meaning of stated principles regarding a commodity. In the Chapter Notes section you will find the subheadings for categorizing an import. The U.S. Notes talks about terms and coverages specified in U.S. subheadings. Finally, in the Statistical Notes you can look up how to report import and export data.

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THING THREE

**DUTIES ARE NOT
GLOBALLY
ESTABLISHED**



DUTIES ARE NOT GLOBALLY ESTABLISHED

Where you import to matters.

Your duty rates are not congruent with all countries across the globe. Although HTS Codes have been standardized with every member of the World Trade Organization, duties are determined by each country individually. Be sure you know exactly what you owe, based on your countries of import and export.

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THING FOUR

**PROPER
CLASSIFICATION IS
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Classification is the Importer's responsibility.

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THING FIVE

WHERE DID HTSUS
COME FROM

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Utilized to replace outdated tariff schedules

HTS was created to replace Tariff Schedules of the United States (TSUS) under subtitle B of title I of the Omnibus Trade and Competitiveness act of 1988. Prior to this, the United States had not adopted any international nomenclatures. President Ronald Reagan requested the U.S. International Trade Commission compose a draft of the U.S. tariff schedules using HTS nomenclature in 1981. Dubbed HTSUS, this replaced the TSUS on August 23, 1988 with the enactment of the Omnibus Trade and Competitiveness Act.



Trade Risk Guaranty's Downtown Office: TRG is located in beautiful downtown Bozeman, Montana where we are able to provide information and aide throughout the entire international trade community.



WHO'S INVOLVED?

Currently over 200 countries and territories use HTS. However, not all countries in the world participate in the HTS coding system, so you will want to make note of your country of origin before your goods are shipped.

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