

PRODUCT AND QUALITY
Seminar 4 Product classification

Product classification use

In a real commercial environment are several classifications used. Of course, there are a lot of different forms of use of such classification. To show the use, you can try one of the essential classifications, the TARIC system. Tariff Intégré Communautaire is a classification system used for the import of goods into the European Union. The Harmonised System principles and Combined nomenclature are the base for the TARIC system.

To make the classification easier, the European Union created a webpage http://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp where is online identification of classification possible.

Task 1: Try to identify the appropriate classification number for the following products:

- a) *Carbonated soft cola soft drink Kofola*
- b) *Wafer bar with peanut filling and cocoa coating Horalky*
- c) *Photo paper to print color photos*
- d) *Microwave oven*
- d) *Ski Boots*
- e) PRODUCT OF YOUR SEMESTER PAPER

Task 2: For the point 1 e) or one other selected product from list add reliable information concerning the additional requirement and tax system from different countries.

Task 3: Find product 1e) or other selected in product classification position used for import in your country. Can you find product classification online? Where? Is the position the same in your country as by the EU?

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Interpretation of Harmonized system

In the appendix, you will find General Rules for the Interpretation of the Harmonized System. On the base of these rules and information obtained at the lecture, try to answer the following questions and problems:

1. You import a gift box from Moldavia, which consists of one bottle of good quality wine (white or red), two wine glasses. These products are packed in a fine wood box that will be sold together with wine and glasses. How many Numbers in Harmonized System would you search? Use General rules for an explanation.
2. You import from abroad cucumber prepared or preserved by vinegar or acetic acid in 200-liter plastic tanks with the plastic capsule. Because of odor and scent, tanks can not be used a second time for food transport, but you plan to sell it to gardeners as storage good. Will your plans impact the declaration of the product? Will you declare cucumber and tanks separately or together? Use General rules for an explanation.
3. You import 500 instruments for physicians. You want to import 500 Endoscopes (TARIC Category 90189020) and 500 Instruments and apparatus for measuring blood-pressure (TARIC Category 90189020). They will separately be packed and imported together with 500 expensive bags from fine leather (TARIC Category 4202 Trunks, suitcases, vanity cases, executive-cases, briefcases, school satchels, spectacle cases, binocular cases, camera cases, musical instrument cases, gun cases, holsters and similar containers; traveling-bags, insulated food or beverages bags, toilet bags, rucksacks, handbags, shopping bags, wallets, purses, map-cases, cigarette-cases, tobacco-pouches, tool bags, sports bags, bottle-cases, jewelry boxes, powder-boxes, cutlery cases and similar containers, of leather or composition leather, of sheeting of plastics, of textile materials, of vulcanized fiber or paperboard, or wholly or mainly covered with such materials or with paper). Later the equipment will be packed into bags and sold together. Can you handle these bags together with equipment or not? Use General rules for an explanation.

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4. Men suit consists of mixed material with 55% Wool and 45% PES. Suits are transported together with a hanger. Will hanger be declared together with suits or separately? Where would you search the position of suits? Heading 6203 is described as Men's or boys' suits, ensembles, jackets, blazers, trousers, bib and brace overalls, breeches and shorts (other than swimwear) and subheadings are 620311 Suits of wool or fine animal hair, 620312 Suits of synthetic fibers and 620319 suits of other textile materials.
5. In [Section X](#) (Pulp of wood or other fibrous cellulosic material; waste and scrap of paper or paperboard; paper and paperboard and articles thereof) [Chapter 49](#) (PRINTED BOOKS, NEWSPAPERS, PICTURES AND OTHER PRODUCTS OF THE PRINTING INDUSTRY; MANUSCRIPTS, TYPESCRIPTS AND PLANS) you can find Heading 4907 (Unused postage, revenue or similar stamps of current or new issue in the country in which they have, or will have, a recognised face value; stamp-impressed paper; banknotes; cheque forms; stock, share or bond certificates and similar documents of title). In Section XXI. (Works of art, collectors' pieces, and antiques) Chapter 97 (WORKS OF ART, COLLECTORS' PIECES AND ANTIQUES) is heading **Postage or revenue stamps, stamp-postmarks, first-day covers, postal stationery (stamped paper), and the like, used or unused, other than those of heading 4907**. Declare short and understandable differences between these two headings.

Appendix 1: GENERAL RULES FOR THE INTERPRETATION OF THE HARMONIZED SYSTEM

Classification of goods in the Nomenclature shall be governed by the following principles:

1. The titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions:
2. (a) Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or

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falling to be classified as complete or finished by virtue of this Rule), presented unassembled or disassembled.

- (b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of Rule 3.
3. When by application of Rule 2 (b) or for any other reason, goods are, *prima facie*, classifiable under two or more headings, classification shall be effected as follows :
 - (a) The heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.
 - (b) Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to 3 (a), shall be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable.
 - (c) When goods cannot be classified by reference to 3 (a) or 3 (b), they shall be classified under the heading, which occurs last in numerical order among those which equally merit consideration.
4. Goods, which cannot be classified in accordance with the above rules, shall be classified under the heading appropriate to the goods to which they are most akin.
5. In addition to the foregoing provisions, the following Rules shall apply in respect of the goods referred to therein :
 - (a) Camera cases, musical instrument cases, gun cases, drawing instrument cases, necklace cases and similar containers, specially shaped or fitted to contain a specific article or set of articles, suitable for long-term use and presented with the articles for which they are intended, shall be classified with such articles when of a kind normally sold therewith. This Rule does not, however, apply to containers which give the whole its essential character;
 - (b) Subject to the provisions of Rule 5 (a) above, packing materials and packing containers presented with the goods therein shall be classified with the goods if they are of a kind normally used for packing such goods. However, this provision is not binding when such packing materials or packing containers are clearly suitable for repetitive use.
6. For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related Subheading Notes and, *mutatis mutandis*, to the above Rules, on the understanding that only subheadings at the same level are comparable. For the purposes of this Rule the relative Section and Chapter Notes also apply, unless the context otherwise requires.