



## TARIFF CLASSIFICATION

We provide clarity and expertise on global tariff classification process. We offer our clients assistance with their tariff classification needs including binding tariff rulings.

### TARIFF CLASSIFICATION OVERVIEW

Tariff classification is the process of determining the correct coding number for your goods to have them accurately recorded. Tariff classification key uses are for determining import duties and any additional customs requirements along with being used for statistical purposes.

The tariff classification of goods drives the customs duty rate. However, the importance of classification goes beyond this and can be important for duty free goods.

With classification also impacting the following:

- Application to Free Trade Agreements
- Understanding if dumping duties apply
- Import and export restrictions on goods.
- Utilising tariff concession orders

## TARIFF CLASSIFICATION

The classification of goods does not just apply to the UK and the EU. It is the mechanism used by Customs worldwide to clearly identify products without the problems inherent in translating descriptions into different languages. It is the Tariff Number, also known as a Commodity Code, which identifies goods for Customs purposes.

Both the UK Tariff and the Common External Tariff in the EU are based on the internationally agreed system of classification known as the Harmonised Commodity Description and Coding System of the Customs Co-operation Council.

Countries use this standard coding system as a basis for their own tariffs. The Harmonised System (HS) provides a standard system of numbers to identify types of goods. This not only makes it easier to clearly identify products for statistical purposes, but it also helps when standardising rules and regulations.

### WHO NEEDS TO COMPLY WITH TARIFF CLASSIFICATION?

All businesses and individuals need to correctly code their products to ensure the right customs duties to customs authorities.

### TARIFF CLASSIFICATION PENALTIES

A tariff classification error occurs when a good is not classified and accounted for in accordance with the rules and schedules of the Customs Tariff Act. Penalties apply where an **importer failed to correct the tariff classification of the good within 90 days** after having “reason to believe” that the declaration was incorrect.



Any errors that are not rectified can cause the following potential outcomes:

- Paying a higher or lower rate of import duty.
- Customs authorities will issue fines and financial penalties for incorrect classification.
- Additional costs for port and storage charges
- Damage to the business compliance record
- Removal of customs simplified procedures.

## **GLOBAL TRADE MANAGEMENT**

Wherever you trade, our consulting professionals who have extensive tariff classification expertise, will help you establish and maintain your classification of goods. Experience always pays.

We can provide you with a plan to succeed. We offer the following key elements to support your tariff classification process.

- A full knowledge of tariff classification and how to comply.
- Designing an effective tariff classification process
- Risk Assessments
- Tariff classification training

**Find out how WTCS** can work with you as a trusted partner for all your Tariff Classification needs.