

Part 2

General Interpretive Rules (GIRs)

April 2019

**Classification
of Goods**

Based on HS 2017

May 2020 | Dominica

The General Interpretive Rules (GIR's)

The HS Nomenclature sets out in systematic form, all the goods that are dealt with in international trade.

It groups these goods in sections, chapters, headings and subheadings indicating, as concisely as possible, the categories or types of goods they cover.

In many cases, the variety and number of goods that appear to be classified in a section, chapter, heading and subheading are endless.

To ensure that products can simply and clearly be classified under the Harmonized System, the HS incorporates a set of six rules upon which the system is based.

A thorough understanding of these rules are necessary for the proper classification of goods in the HS.

The General Interpretive Rules (GIR's)

After this lesson the participants will be able to:

Apply the General Interpretive Rules for the systematic and uniform classification of goods.

Legal Status:

- They form an integral part of the legal framework of the HS
- They establish the basic principles for the classification process
- They are designed for uniform
- interpretation and application

In every instance, the rules should be quoted to support classification.

Example – Goods classified by application of rule 1, rule 2(a), 2(b), 3(a), 3(b), 3(c) etc.

Six General Interpretive Rules:

(Rules #'s 1 TO 4)

- General in application
- Performed at the heading level
- Must be used in sequence in the order
- in which they are presented
[i.e. rule 1 before rule 2 before rule 3 etc]

(Rule # 5)

- New rule
- Applied at the heading level
- Specifically deals with containers and packing
- in contrast to rules 1 to 4, rule 5 is not applied in sequence
(it stands on its own)

Six General Interpretive Rules:

(Rule # 6)

- New rule
- Applied at the subheading level
- Stands on its own

The first 5 rules for general interpretation of the HS apply at the **heading** or **four digit level**, while rule six relates to the classification of goods at the **subheading** or **six digit level**.

Rule #1

- 1) The most important of all the rules
- 2) Accounts for approx 80% of goods being classified
- 3) Specifies the legal elements to be considered when classifying goods

“The titles of sections and 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.”

Rule 1 can be broken down into 3 parts:

Firstly, it begins by establishing that the section / chapter titles are provided for ease of reference only, and have no legal bearing on the classification of goods.

Rule #1

Titles of section and chapters:

- Are found at the beginning of each section, chapter and sub-chapter
- Provide a broad description of the type of goods covered by the section and chapters
- Direct a user as to where a particular commodity or good to be classified is **likely** to be found
- Do not have any legal force

General Interpretive Rules

Rule #1

Examples:

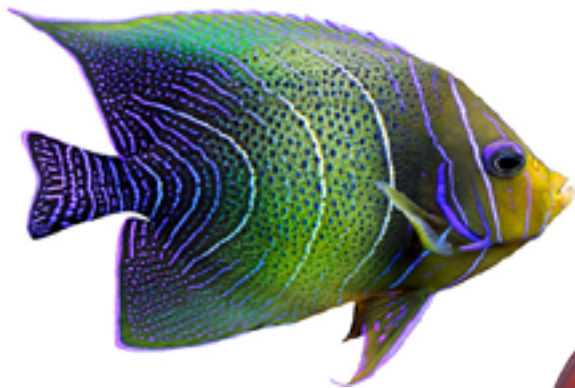
Although section XV is entitled “base metals and articles of base metals” metal furniture is found in section XX, pistols of base metal are found in section XIX.



General Interpretive Rules

Rule #1

Although Cha 1 is entitled “live animals”, circus animals are classified in Cha 95, and other animals in 0301, 0306, 0307 & 3002



Rule #1

Although chapter 62 is entitled “articles of apparel and clothing accessories, not knitted or crocheted” heading **62.12** covers articles whether knitted or crocheted.

The first consideration of rule one gives a clear indication that the classification of a product cannot be determined by the titles of sections or chapters.

The second consideration of rule 1 states that Classification of products is determined by the following:

- The wording of the text of the heading
- Any relevant legal notes [section / chapter]



General Interpretive Rules

Rule #1

The wording of the text of the heading:

Example: HS 9406.00 covers prefabricated buildings



General Interpretive Rules

Rule #1

Knowledge and application of relevant section notes:

Example: Note 1(i, j & k) to section XV specifically excludes arms and furniture whether or not made up of base metal.

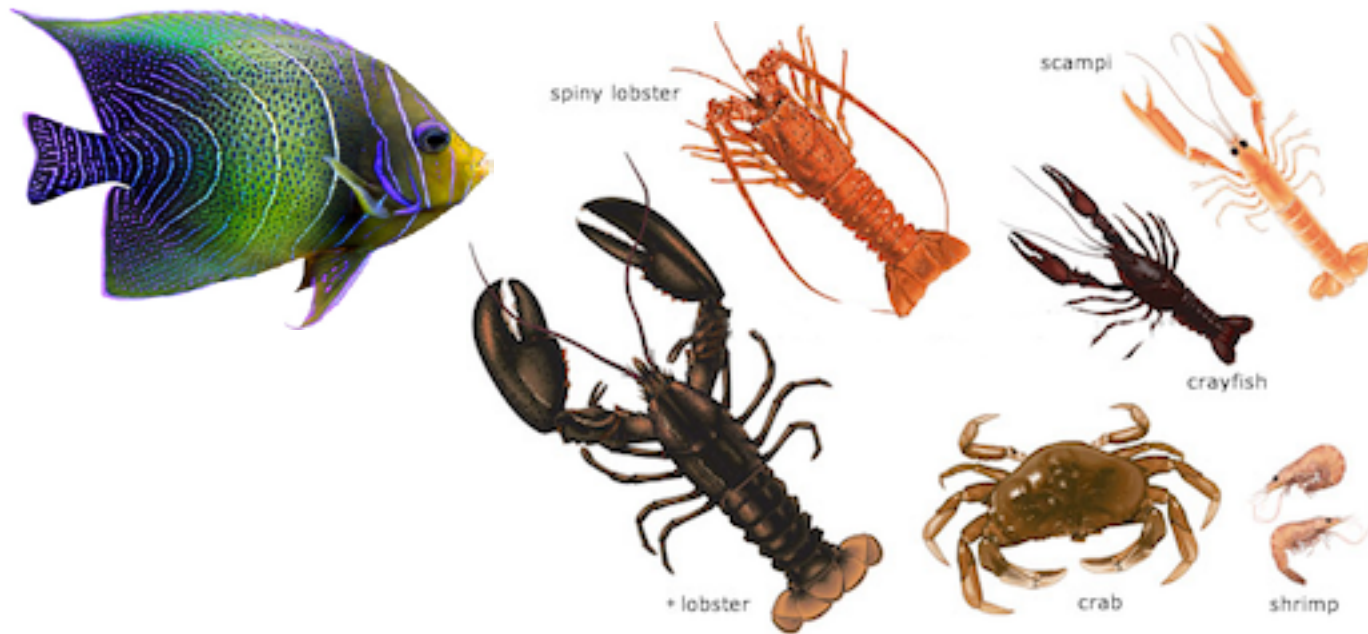


General Interpretive Rules

Rule #1

Knowledge and application of relevant chapter notes:

Example: Chapter 1 covers Live Animals legal note 1 to chapter 1 excludes:



Rule #1

Knowledge and application of relevant chapter notes:

Example: Chapter 62 covers clothing/accessories not knitted or crocheted legal note 1 to chapter 62 excludes knitted or crocheted articles from the chapter other than those of heading **62.12**

It will not always be possible to arrive at a single and correct classification by using the text of the heading and legal notes.

In some instances, we may find a number of classifications which seem equally applicable.

In these cases, the last provision of rule 1 will be applied only if the text of the heading and the notes do not give you an exact classification.



Rule #1

The third consideration of rule one states that:

When it is not possible for classification to be determined by the terms of the heading and any relative section or chapter notes.

Then, it shall be determined according to the following provisions of the general interpretive rules (rules 2 to 6)



What have we learned about GIR's so far?

1. There are six rules, the first four must be applied in order
2. Classification will be based on the terms of the heading descriptions and any relative section and chapter notes
3. The titles of sections and chapters should be used for ease of reference only
4. When there is a conflict between the legal notes and the GIRs, legal notes will take precedence
5. When the heading description and relevant legal notes cannot determine a proper classification with certainty, then you should move on to GIR 2

Rule 2(a)

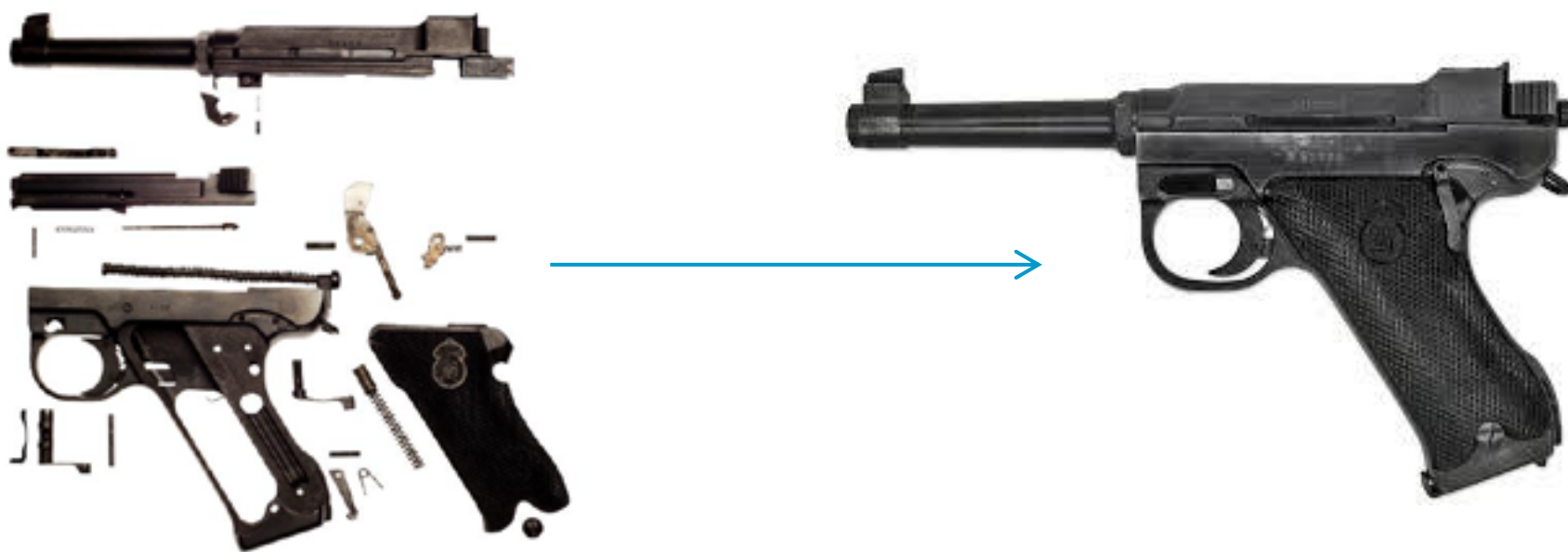
“Any reference in a heading to an article shall be taken to include to that article incomplete or unfinished, provided that, as presented, the incomplete or finished article has the essential character of the complete or finished article.

It shall also be taken to include a reference to that article complete or finished presented unassembled or disassembled.”

Rule 2(a)

1. Outlines the principles for the classification of incomplete or unfinished articles, and
2. Outlines the principles for the classification of unassembled or disassembled articles.

This is achieved by extending the scope of the heading beyond the text of the heading.



Rule 2(a)

This rule does not normally apply to the following sections:

Sec 1 - Animals and Animal Products

Sec 2 - Vegetable Products

Sec 3 - Fats, Oils and Waxes

Sec 4 - Foodstuffs and Beverages

Sec 5 - Mineral Products

Sec 6 - Chemical Products

General Interpretive Rules

Rule 2(a)

This rule applies with greater frequency in the case of the following sections:

Sec 16 - Electrical Equipment & Machinery

Sec 17 - Vehicles, Aircrafts and Vessels

Sec 18 - Clocks and Watches

Sec 19 - Arms and Ammunition

Sec 20 - Miscellaneous Manufactured Articles



General Interpretive Rules

Rule 2(a)

Example:

**VEHICLES
WITHOUT WHEELS
[INCOMPLETE]**



**REPAIRED
VEHICLES NOT YET
SPRAYED (PAINTED)
[UNFINISHED]**



**BICYCLES
SHIPPED IN PARTS
[UNASSEMBLED/
DISASSEMBLED]**



Rule 2(a)

For rule 2(a) to be applied, the following conditions must be achieved:

- 1. The articles in their state must have the essential character of the finished article e.g. model toys**



Rule 2(a)

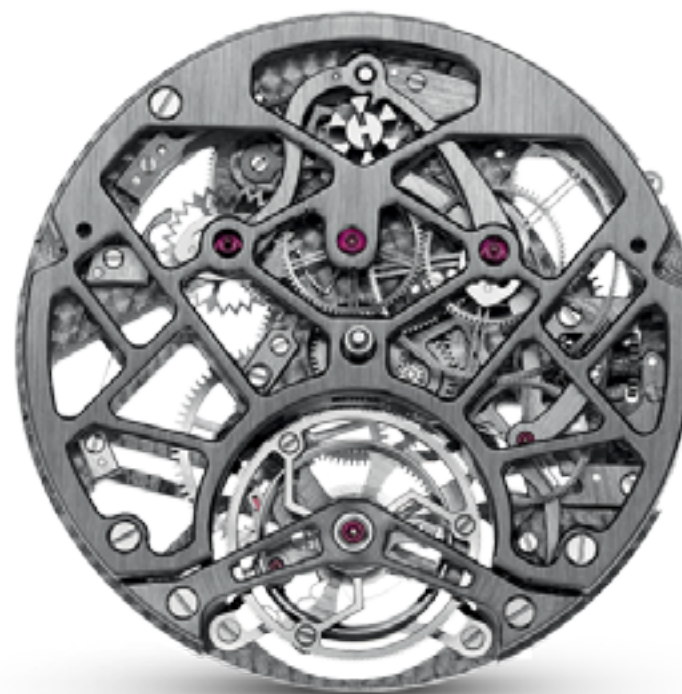
For rule 2(a) to be applied, the following conditions must be achieved:

2. The text of the heading or the legal notes do not exclude the goods.

Examples:

HS 91.08 & 91.09 = “watch and clock movements complete and assembled”

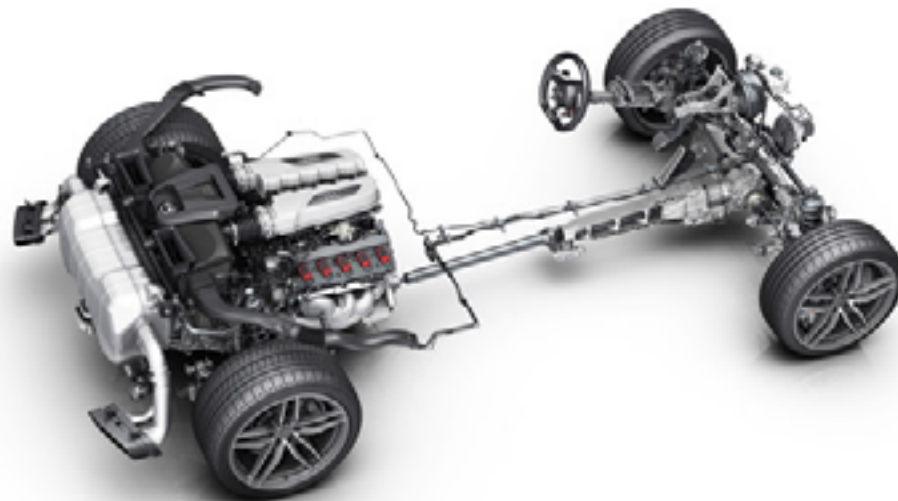
HS 91.10 = “unassembled watch and clock movements”



Rule 2(a)

HS 87.06 [chassis fitted with engines]

The wording of **HS 87.06** states that the heading covers “chassis fitted with engines” based on the words “fitted with engines”, rule 2a cannot be applied to broaden the heading to include a chassis entered with an unmounted engine.



Rule 2(a)

For rule 2(a) to be applied, the following conditions must be achieved:

3. The process involved in the assembly constitutes:
- Simply fixing devices
 - Simple assembly operations

In general, unassembled or disassembled goods need only be assembled by means of simple fixing devices, e.g. screws, nuts, bolts, or by such processes as riveting or welding. If major assembly operations are involved, the goods would be classified as individual parts.



Rule 2(a)

As a general principle, blanks, which are articles not ready for direct use having the approximate shape or outline of the finished article or part, and which can only be used for completion into the finished article or part, are regarded as incomplete or unfinished articles classifiable in the same heading as the complete article, unless they are specifically referred to in a given heading **e.g. HS 45.02 & 45.03**



Rule 2(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 three.”

There are three aspects to rule 2(b), firstly:

“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”



Examples:

Wood **HS 44.09** treated and stained

Milk **HS 04.01** with added vitamins and flavouring



Rule 2(b)

The second aspect of rule 2(b)

“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”



Examples:

Leather gloves **HS 42.03** with textile fabric

Cork board **HS 44.03** with wooden frame

Rule 2(b)

In summary, the first two aspects of rule 2(b) covers the following:

- Extends any heading referring to a material or substance to include mixtures with other materials or substances.
- Extends any heading relative to goods of a given material or substance to include goods consisting partly of that material or substance.

The first two aspects of rule 2(b) will only be applied if:

- The additional material do not change the essential character of the goods
- Text of heading or legal notes do not exclude the goods

General Interpretive Rules

Rule 2(b)

No change in essential character



Rule 2(b)

No change in essential character



- Vanilla Milk
- Strawberry Milk
- Malted Milk

Change in essential character



Rule 2(b)

Text of heading and legal notes excluding the goods

- Mixture of pepper **HS 09.04 (2%)** and cinnamon **HS 09.06 (98%)** classified in **HS 09.10 (note 1b, chapter 9)**



Rule 2(b)

Text of heading and legal notes excluding the goods

- Chapter 18 note 2 chocolate milk classified in Cha 18



Rule 2(b) Examples

- The term coffee would include coffee mixed with chicory
- Natural rubber would cover a mixture of natural and synthetic rubber
- Wooden doors will include doors combined with glass
- Metal seats will include metal seats with plastic armrests or upholstered with textile materials



Rule 2(b)

The third aspect of rule 2(b) deals with goods apparently classifiable in more than one heading and the rules for determining which heading is correct

“The classification of goods consisting of more than one material or substance shall be according to the principles of rule 3”.

What have we learned about the rules so far?

1. **GIR 1 – classification is based upon the terms of of the headings, subheadings, section notes and chapter notes**
2. **The titles of section and chapters are for ease of reference only**
3. **GIR 2(a) – expands the headings to include unfinished / unassembled goods provided they have the essential character of the finished article**
4. **GIR 2(b) – expands the headings to include mixtures of the article provided that they retain their essential character**
5. **When GIR 2(b) does not direct you where to classify an item that is a mixture of substances or materials or, goods that are not 100% of a named material, or goods that are apparently classifiable in more than one heading, go to rule 3 to classify these items**

General Interpretive Rules

Rule 3



Rule 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:

- 1) By the most specific description [rule 3(a)]
- 2) By essential character [rule 3(b)]
- 3) By the heading which occurs last in numerical order [rule 3(c)]

Rule 3

The 3 methods of rule 3 (3a, 3b, 3c) must be followed in order:

Example:

If the principle of the specific rule applies, then you do not have to go any further.

Rule 3 is only applicable when the terms of the heading or section or chapter notes do not provide for the goods.

Rule 3(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 even if one of them gives a more complete or precise description”

Rule 3(a) Analysis

“The heading which provides the most specific description shall be preferred to headings providing a more general description.”

The first aspect of rule 2(a) covers the following:

Where an article is mentioned in more than one heading, the article shall be classified in the heading which provides the most specific description.

Rule 3(a)

Rule 3(a) sets out two principles of specific description:

- 1) A description by name is more specific than a description by class.
- 2) If the text of a heading provides a more accurate and complete description, the goods should be classified under that heading.

Rule 3(a)



A description by name is more specific than a description by class:

Example: [Electric Shavers]

- **HS 84.67** [tools for working in the hand with motor]
- **HS 85.09** [electro-mechanical domestic appliances with motor]
- **HS 85.10** [shavers and hair clippers with motor]

Rule 3(a)



A description by name is more specific than a description by class:

Example: [LCD Projectors]

- **HS 85.21** [video recording or reproducing apparatus]
- **HS 85.28** [monitors and projectors]

Rule 3(a)



The text of a heading providing a more accurate and complete description:

Example: [Glass Windscreen]

- **HS 70.07** [safety glass, consisting of toughened or laminated glass]
- **HS 87.08** [parts and accessories of vehicles heading **87.01** to **87.08**]

Heading #70.07 more specifically describes the goods in question.

Rule 3(a)



The text of a heading providing a more accurate and complete description:

Example: [Plastic Rulers]

- **HS 39.26** [other articles of plastics]
- **HS 90.17** [instruments for measuring length for use in the hand]

Heading #90.17 more specifically describes the goods in question.

Rule 3(a) Analysis

Secondly, 3(a) implies that specific description.

Cannot be applied for the classification of mixtures, sets of different articles put up for retail sale or composite goods consisting of different materials or made up of different components simply because in the case of the above mentioned goods, each heading would be regarded as equally specific.

Move on to the next rule.

Rule 3(a)

The rule establishes that if two or more headings refer to part only of mixed or composite goods such as a mixture of two or more textile materials, or to part only of sets put up for retail sale such as a shaving set, the classification is to be determined by rules 3(b) or 3(c).



Rule 3(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 the criterion is applicable.”

The classification principal of rule 3(b) being that the most essential character rule will only be applied if the following conditions are achieved:

- Mixtures (more than one heading equally specific)
- Composite (different components form whole)
- Composite (components are adapted, complimentary and sold together)
- Goods in sets for retail sale

General Interpretive Rules

Rule 3(b)

Example:

- **Mixtures** – things put together but hard to separate (more than one heading equally specific)



Mixtures of wheat flour, corn flour, rice flour, rye flour, potato flour, gluten etc.
[11.01, 11.02, 11.05,]

General Interpretive Rules

Rule 3(b)

Example:

- **Composite** – different components forming a whole
(more than one heading equally specific)



Calculator/Radio
[84.70 / 85.27]



Jam/Peanut Butter
[20.07 / 20.08]



Flashlight/Radio
[85.13 / 85.27]



Plastic/
Paper Pouch
[39.23 / 48.19]

Rule 3(b)

Examples:

- **Composites** – components are adapted, complimentary, and sold together (more than one heading equally specific)



Bed, Mattress, Drawers, Lamps, Carpet, Mirror & Picture
[94.03 / 94.04 / 94.05 / 57.02 / 70.09 / 49.11]

General Interpretive Rules

Rule 3(b)

Example:

- **Sets** – goods in sets for retail sale (more than one heading equally specific)



Watch, Pen &
Cuff Links Set
[**91.02 / 96.08 / 71.17**]



Belt and Wallet Set
[**42.03 / 42.02**]



Hair Dressing Set
(Comb, Brush, Glove,
Case, Mirror, Scissors etc..)

Rule 3(b)

Classification will then be determined by the material or component which gives the goods their essential character.

The application of essential character requires examination of certain concepts.

The factors which determine essential character will vary depending on the goods – from the nature of the material or component, or to the bulk, quantity, weight or value of the component, or to the role of the material or component in relation to its use.

In some cases the legal notes specify the criteria;

Example: section XI, note 2a

In the example above, weight determines the the essential character for textiles classified in those chapters or headings. In cases where the legal notes do not specify the criteria, it will be a matter of interpretation as to what gives the article its essential character and, therefore, determines its classification.

General Interpretive Rules

Rule 3(b)

Rule 3(c) enables goods to be classified when rules 3(a) and 3(b) cannot be used:



Rule 3(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.**”

This is the third method of determining the classification of the goods described in rule 3.

Rule 4

When you have considered rule 1, 2 and 3 and have decided that they do not apply, you may then consider rule 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.”

New products are often introduced to international trade for which they may not appear to be a precise provision in the HS:

These goods are classified in the heading which covers similar goods.

Factors which may be taken into consideration to make this determination include **description, character or purpose** of the product.

What have we learned about the rules so far?

1. **GIR 1 – classification is based upon the terms of of the headings, subheadings, section notes and chapter notes**
2. **The titles of section and chapters are for ease of reference only**
3. **GIR 2(a) – expands the headings to include unfinished / unassembled goods provided they have the essential character of the finished article**
4. **GIR 2(b) – expands the headings to include mixtures of the article provided that they retain their essential character**
5. **When GIR 2(b) does not direct you where to classify an item that is a mixture of substances or materials or, goods that are not 100% of a named material, or goods that are apparently classifiable in more than one heading, go to rule 3 to classify these items**
6. **GIR 3(a) – tells us that a heading which provides the most specific description shall be preferred to headings providing a more general description**

What have we learned about the rules so far?

7. **GIR 3(a)** – may not apply in cases where two or more headings each refer to a part of the materials or substance contained in a mixed or composite good or part only of the items in a set put up for retail Sale
8. Finally, **GIR 3(a)** states that in cases like the one stated in number 7 above, each of the headings are equally specific, even if one gives a more complete or precise description. When this occurs, classification shall be determined by **GIR 3(b)** or ©
9. **GIR 3(b)** – mixtures, composite goods and sets which cannot be classified using 3(a), shall be classified at the heading of the material or component that gives them their essential character
10. **GIR 3(b)** further states that where classification cannot be determined by essential character, you must classify using **GIR 3©**
11. **GIR 3(c)** – tells us that if we cannot classify mixtures, sets or composite goods using GIRs 1 through 3 (b), classify at the heading that occurs last in the tariff among those that equally merit consideration

What have we learned about the rules so far?

- 12. GIR 4 states that if you cannot classify an item using GIR 1 through 3, classify under the heading appropriate to the goods to which they are most akin**

Rule 5

In contrast to rules 1 to 4, rule 5 is not applied in sequence, it stands on its own.

Rule 5 also classify goods at the heading level.

“In addition to the foregoing provisions (rules 1 through 4), the following rules shall apply in respect of the goods referred to therein”

- Cases, boxes and similar containers
- Packing materials and packing containers

Rule #5 is a two part rule.

- Rule 5(a) deals with cases, boxes and similar containers
- Rule 5(b) deals with packing materials and packing containers

The rule is only applicable to the goods stated above

Rule 5(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.”



Rule 5(a)

According to rule 5(a), cases/containers can be classified with the articles they are designed for if they meet the following criteria:

- 1) They should be specifically shaped or fitted and designed to accommodate the article for which they are intended, and do not have other uses.
- 2) They should be suitable for long-term use designed to have durability comparable to that of the goods for which they are intended, and able to protect.
- 3) They should be presented with the articles for which they are intended, whether or not the articles are packed separately.
- 4) They should be of a kind normally sold with article.

General Interpretive Rules

Rule 5(a)

Example:

- Musical instrument cases/boxes/bags
- Electric shaver cases, gun cases, binocular cases, telescope cases, etc.



Rule 5(a)

Rule 5(a) does not apply to the following:

- Containers which are very expensive in relation to their contents, and are not normally sold with the contents. **Example – gold cigarette cases**
- Containers which give the whole or set its essential character even if they are normally sold with their contents **Example – lipstick in diamond case**



Rule 5(a)

These containers and their contents are to be classified in their appropriate headings, which is the heading for the gold cigarette case and the lipstick diamond case.

Containers or cases which are imported separately, that is without their contents are also classified in their own appropriate heading for example, binocular cases are classified in the HS heading 42.02 , which reads in part “binocular cases” when they are imported on their own.

Rule 5(b)

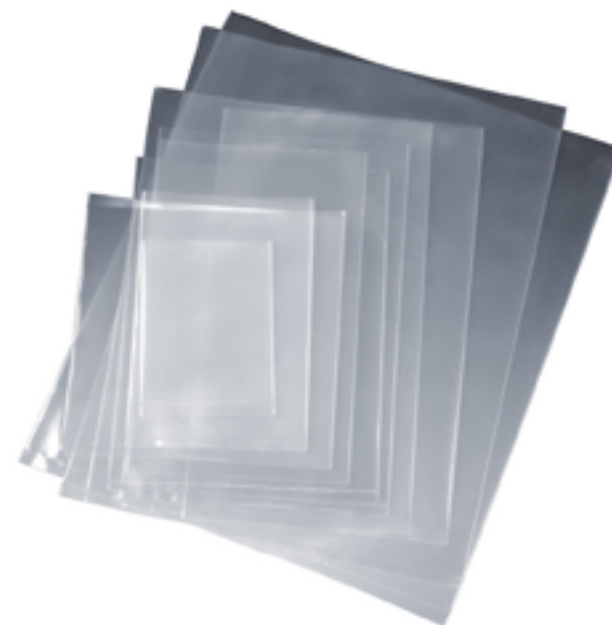
“Subject to the provisions of rule 5(a), packing materials and packing containers presented with the goods therein shall be classified with the goods if they are of a kind normally used for packing such goods.

However, this provision does not apply when such packing materials or packing containers are clearly suitable for repetitive use.”

Rule 5(b)

Rule 5(b) provides for the classification of packing materials or containers. These are classified under the same heading as the goods if they are entered with the goods and are normally used only for packing the goods.

Examples being packing materials such as **tins**, **cardboard boxes** and **poly-bags**.



Rule 5(b)

This rule does not apply, however, if the packing materials or containers are clearly for repetitive use:

Example – refillable metal cylinders

It should be noted that the term “suitable for repetitive use” means that the goods will be reused for the same purpose.



General Interpretive Rules

Rule 5(b)

Packing material or containers which are clearly “suitable for repetitive use”

Examples – metal cylinders for LPG, packing crates for soft- drinks

Which are reusable would be classified separately from their contents.



Rule 5(b)

Containers which are so constructed so that they also have a use other than their original use are not intended to be classified separately from their contents.

Examples



Rule 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 the rule, the relative section and chapter notes also apply, unless the context otherwise requires.”

The first five rules for general interpretation of the HS apply at the heading or four digit level rule six relates to the classification of the goods at the subheading or six digit level to apply this rule correctly, it must be clearly understood that the classification of any product to its subheading in the HS may only be contemplated after the relative product has already been properly classified in its 4 digit heading.

The temptation to classify directly in what might appear to be the correct subheading without first ensuring that the relevant four digit heading is correct, must be avoided at all times doing so will likely result in an incorrect classification after determining the correct heading classification, we then look at the subheadings under that heading.

Rule 6

Rule six then says that rules one to five that were applied at the heading level are now applied at the subheading level.

Therefore, start by using rule one i.e. determine if the goods can be classified by the terms of the subheading and any **relative subheading notes**.

If not, consider each of the rules in order until the goods can be classified.

Rule 6

Example:

- Composite goods consisting of different materials



Rattan furniture consisting **50% rattan** and **50% wood**.

Rattan furniture consisting **30% rattan**, **30% wood**, **30% glass** and **10% metal**.

HS 9403.80 rattan furniture

HS 9403.60 wooden furniture

Rule 6

Example:

- Composite goods consisting of different components to form a whole



Combined microwave ovens with toaster.

HS 8516.50 [microwave ovens]

HS 8516.70 [other electro-thermic
appliances including
toasters]

Rule 6

Rule six adds an additional qualification that should be noted when classifying at the subheading level.

“That the chapter and section notes be used to classify at the six digit level unless they are contradicted by the subheading notes or texts”

When a subheading note presents different instructions than the section or chapter note, the subheading note will apply.

Rule 6

An example of a subheading note that conflicts with a chapter note –

- Chapter 71, Note 4(a & b)
- Chapter 71, Subheading Note 2

Chapter note 4(b) defines the term platinum to include iridium, osmium etc, therefore iridium is properly classified in heading **71.06, 71.08, 71.11** according to subheading note 2, subheadings **7110.11** and **7110.19** are excluded for the classification of iridium.

Summary of GIRs 5 & 6

- 1) **GIR 5(a)** – containers specially shaped or fitted to contain a specific article, suitable for long term use and entered with the article, will be classified with the article.
- 2) **GIR 5(b)** – packing material and containers entered with the goods will be classified with the goods if they are of a kind usually used for packing such goods.
- 3) **GIR 5(b)** – excludes packing materials or packing containers clearly suitable for repetitive use.
- 4) **GIR 6** – once we have determined the appropriate heading, apply the GIRs again, with necessary changes, to determine the proper subheading.
- 5) **GIR 6** – when comparing subheadings under a particular heading, always compare at the same level e.g. (6 digit to 6 digit, 8 digit to 8 digit).

In Concluding

The “General Interpretive Rules” establish the classification principles which, unless the texts of headings, subheadings or section or chapter notes otherwise require, are applicable throughout the HS.

They clearly provide a step-by-step basis for the classification of goods within the HS, so in every case a product must first be classified to its appropriate four digit heading then to its appropriate subdivision at the next level within that heading and only then to its next subdivision.

General Interpretive Rules - Part 2



After this lesson the participants will be able to:

Apply the General Interpretive Rules for the systematic and uniform classification of goods.

Structure of the CET:

The Common External Tariff contains:

- 1) The List of Abbreviations and Symbols used in the publication
- 2) The Titles of Sections and Chapters
- 3) The General Rules for Interpretation of the HS
- 4) The Schedule of Rates
- 5) The List of Conditional Duty Exemptions
- 6) The List of Items Ineligible for Duty Exemption

Reference to the pages of the Schedule of Rates is included in the listing of Sections and Chapters to permit easy identification in the Schedule of Rates

The GIRs provide the principles on which classification under the System is based and are an integral part of the classification structure of the Schedule of Rates.

Structure of the CET:

The rates of duty shown in the Schedule of Rates will be applicable to imports from third countries into the Caricom Member States, as well as to goods traded among the Member States which do not qualify for Community treatment.

The List of Conditional Duty Exemptions (**second schedule**) sets out those goods which, when imported for the purposes stated in the list, may be admitted into Member States free of import or at a rate which is lower than that set out in the Schedule of Rates, subject always to the Competent Authority in the Member State.

The List of Items Ineligible for Duty Exemption (second schedule) includes those items produced in the Member States in quantities which are considered adequate to justify the application of tariff protection.

Except where the context otherwise requires, percent or the symbol %, means percentage of Customs Value (CIF).