

### 3.5 EXECUTION PHASE

#### EXHIBIT Q – Tariff Classification

Document Name	Tariff Classification
Document Number	3.5 Q
When/How Used	Used during a multi or single program verification on tariff classification
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Document Owner	
<b>Division</b>	Compliance Management HQ
<b>Contact</b>	Contact your local compliance verification office at: <a href="http://cbsa.gc.ca/contact/listing/indexpages/index-e.html">http://cbsa.gc.ca/contact/listing/indexpages/index-e.html</a>

Other Stakeholders

## Verification Program – Tariff Classification

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COMPANY

FILE NO.

PERIOD

TO

### Verification Objectives

For the selected sample:

- Determine whether the imported goods are properly and accurately described.
- Determine whether the tariff classification applied to the imported goods is in full accordance with the legislative provisions of the *Customs Tariff* and CBSA tariff classification policies.
- Determine whether the commodity profile (rating guide) is maintained by the importer/broker and is accurate.

**It must be emphasized that a product cannot be classified or a previous classification cannot be verified without a thorough understanding of the product or finished article. If at the end of the following steps it still is not evident where the product is to be classified, the officer should consult with Headquarters on the matter of the classification of the goods.**

#### Note:

Pursuant to subsection 10(1) of the *Customs Tariff*, officers have the legislative authority to render tariff classification decisions to only the tariff item (eighth digit) level. An officer may suggest to an importer on a courtesy basis only a further classification to the classification number (ninth and tenth digit) level. However, it must be understood that the exclusive legislation mandate and authority for classifications at the ninth and tenth digit level rests with officials of Statistics Canada. This is pursuant to section 22.1 of the *Statistics Act* and in accordance with the Memorandum of Understanding between the CBSA and Statistics Canada. Importers requesting an authoritative classification at the ninth and tenth digit level should be advised to contact Statistics Canada.

TARIFF CLASSIFICATION VERIFICATION PROCEDURES	DONE BY	REF.
For the selected sample:		
<p>1. Obtain information such as:</p> <ul style="list-style-type: none"> <li>• Descriptive (e.g., manufacturer's) literature for the subject goods that thoroughly describes the goods. This may include: <ul style="list-style-type: none"> <li>- their composition;</li> <li>- information that illustrates and identifies the goods and shows their integration into a complete machine or article</li> <li>- fully illustrates and identifies their principle; functions for which they are designed;</li> <li>- depicts their mechanical functions;</li> </ul> </li> <li>• A complete parts list;</li> <li>• an illustration and description of how each of the imported parts and accessories are integrated into a complete unit,</li> <li>• Mill certificate;</li> <li>• Any previous classification opinions issued by the CBSA on these goods;</li> <li>• Copy of the relevant purchase order(s) and commercial invoice(s);</li> </ul>	<div><input type="checkbox"/></div> <div><input type="checkbox"/></div> <div><input type="checkbox"/></div> <div><input type="checkbox"/></div> <div><input type="checkbox"/></div> <div><input type="checkbox"/></div> <div><input type="checkbox"/></div> <div><input type="checkbox"/></div>	<div><input type="checkbox"/></div> <div><input type="checkbox"/></div> <div><input type="checkbox"/></div> <div><input type="checkbox"/></div> <div><input type="checkbox"/></div> <div><input type="checkbox"/></div> <div><input type="checkbox"/></div> <div><input type="checkbox"/></div>
<p>2. Determine if any further manufacture is required prior to first use and describe this process.</p> <ul style="list-style-type: none"> <li>• If required, request a sample of the imported product. If the product is hazardous or requires special handling, the importer should ship (courier) the sample directly to the Agency's laboratory at:</li> </ul> <p style="margin-left: 40px;">Canada Border Services Agency Laboratory and Scientific Services Directorate 79 Bentley Avenue Ottawa, Ontario K2E 6T7</p> <p>(See section 4, Laboratory and Scientific Services Procedures)</p>		

TARIFF CLASSIFICATION VERIFICATION PROCEDURES	DONE BY	REF.
3. Review the supporting documentation obtained in Step 1 to identify what goods were imported.		
<p>4. Determine the tariff classification of the item, through the application of:</p> <ul style="list-style-type: none"> <li>• General Interpretive Rules (GIR) for the interpretation of the Harmonized System;</li> <li>• Legal notes;</li> <li>• Explanatory Notes;</li> <li>• Supplementary Canadian notes;</li> </ul> <p>Reference should be made to:</p> <ul style="list-style-type: none"> <li>• Technical Reference System (TRS) decisions or advance rulings and National Customs Rulings (NCRs);</li> <li>• Compendium of Classification Opinions (HS);</li> <li>• Canadian International Trade Tribunal (CITT) and Federal Court (FC) decisions;</li> <li>• Administrative Policies Memorandum D10-14 / 15;</li> <li>• Customs Notices;</li> <li>• Tariff Classification Functional Guidance Bulletins;</li> <li>• Laboratory and Scientific Services Directorate (LSSD) reports on identical or similar products</li> </ul> <p>Consideration should be given to any Tariff (Chapters 98 and 99) or other Remission (e.g., Orders-In-Council) provisions that may relate to goods or their use.</p>	<div> <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/> </div> <div> <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/> </div>	<div> <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/> </div> <div> <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/>  <input type="checkbox"/> </div>
<p>5. Compare the classification as determined in Step 4, with the classification declared on the Form B3, Canada Customs Coding Form. Identify any discrepancies and note the level of classification (i.e., heading, subheading, tariff item or statistical suffix) at which the error occurred.</p> <p>Note: Where the tariff classification declared is incorrect, identify the impact on the tariff treatment claim. Advise the importer that it may be to their benefit that a Certificate of Origin be obtained so that a more favourable rate of duty is paid.</p>		
<p>6. Where it exists, request from the client a copy of their rating guide and assess: If the information (description, identification numbers,</p>		

etc.) is sufficient to allow the goods to be classified correctly; and, whether or not opinions or decisions on previous importations have been cross-referenced and incorporated into the rating guide.		
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<b>TARIFF CLASSIFICATION VERIFICATION PROCEDURES</b>	<b>DONE BY</b>	<b>REF.</b>
7. Enquire and obtain any classification rulings issued by CBSA. The importer or broker would provide them. They would serve as evidence of the proper classification.		
8. Document the findings. The officer is reminded, in the event of precedent setting decisions, that these decisions should be entered into TRS.		
9. Record results in the Compliance Management Workbook. The information from the CM Workbook will be included in the Final Verification Report. .		
10. Prepare requirements and recommendations, on the classification of goods, to be incorporated into the Final Verification Report.		