

What is HS classification?

The Harmonised System (HS) is a global product classification maintained by the World Customs Organization. Every physical good moves under an HS code. The EU extends the code to eight digits (Combined Nomenclature) and ten digits (TARIC); the US uses HTSUS. The code determines the duty rate, licences, quotas and preference eligibility.

How the code is built

6 digits

WCO Harmonised System, used worldwide

8 digits

EU Combined Nomenclature (CN), for statistics and standard duties

10 digits

TARIC, adding EU measures like anti-dumping and suspensions

US

HTSUS goes to 10 digits with its own structure

Worked example: reading a code

Take 8471.30.00, the HS code for a portable data-processing machine (a laptop). 84 is the chapter (machinery, mechanical appliances). 8471 is the heading (automatic data-processing machines and units thereof). 8471.30 is the subheading (portable automatic data-processing machines, weight not exceeding 10 kg). The EU or US then extends the code for its own measures and statistics. The heading and subheading are what matter most for duty rate.

Why classification matters

The difference between one code and the next can be the difference between 0% and 50%. Classification also drives origin rules, licence requirements, VAT rates, product-safety obligations and eligibility for FTA preferences.



- The product has sat on the same HS code for years without review.
- Group entities in different countries use different codes for the same product.
- A new product line was coded by copying an old one.
- Spare parts share a code with main goods without a technical justification.

Mini case. An electronics importer had classified a component as a finished device and paid the higher duty rate. Reclassification under a parts heading, backed by the technical specification, cut the rate to zero.

How to get it right

- Base the classification on the technical specification, not the commercial description.
- Apply the WCO General Rules of Interpretation (GRI) in order; do not stop at rule 1 if the product is composite.
- Where value at stake is material, apply for Binding Tariff Information (EU) or a US ruling.
- Keep an internal HS decision log recording the technical grounds.

Free tools & resources

EU TARIC database

taric.ec.europa.eu

WCO Explanatory Notes

wcoomd.org

Binding Tariff Information (EU)

ec.europa.eu/taxation_customs/dds2/ebti

Options for a Dutch business without an in-house customs team

Your customs broker; a specialist trade or customs adviser; your industry or branch organisation. For a formal answer with legal certainty, apply for Binding Tariff Information.

Key vocabulary.

Heading: the 4-digit level of the HS code.

Subheading: the 6-digit level, common worldwide.

BTI: Binding Tariff Information, an EU ruling valid for three years.

GRI: General Rules of Interpretation, how to classify borderline products.