



HS Code & Transitional of PDK2017 to PDK2022

HRD-Corp National Training Week

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Speaker Profile

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PROFESSIONAL QUALIFICATION

- | | |
|---|------|
| ▶ 1. Kursus Asas Agen Kastam (KAAK)- AKMAL | 2007 |
| ▶ 2. Certificate in Shipping – FMM | 2007 |
| ▶ 3. Kusus Ejen Perkapalan (KEP) - AKMAL | 2012 |
| ▶ 4. MTO Freight Forwarding – FMFF & UNECAP | 2017 |
| ▶ 5. Train The Trainer (TTT)- HRD CORP | 2022 |



Scope of Learning

- 1. HS Nomenclature
- 2. The HS 2022
- 3. The AHTN 2022
- 4. The Customs Duties Order 2022



HS Nomenclature

- Overview of Harmonized System Coding (HS)
- Main Concept of HS
- Structured of HS
- Composition of HS
- Coding System of HS
- Roles of Punctuations in HS
- Scope of Legal Notes in HS
- General Rules for the Interpretations (GIRs)
- Steps in Goods Classification



Overview

- Harmonized Commodity Description and Coding System developed by World Customs Organization (WCO) in 1988.
- 6-digits product nomenclature
- Review every 5 years
- It is used by 211 trade countries/ Customs/ Economic Unions to classify over 98% of world trade
- It is standardized, systematic and uniform system
- Facilitate international trade from duty, country of origin, compliance, FTA negotiation





MAIN CONCEPT

1 GOOD = 1 HS CODE

MATERIAL AREA

Materials,
Ingredients
Compositions or
Components
(Chapter 1- 83)

FUNCTION AREA

Usage,
Function or
Application
(Chapter 84- 97)



Structured HS Code >>Manufacturing

Example 1 :





Structured HS Code

>> Manufacturing

Example 2 :

Raw Materials

Semi-finished Products

Finished Products

Mineral : Chapter 25

Metal Ore : Chapter 26

Petroleum : Chapter 27

Iron & Steel : Chapter 72

Copper & Articles : Chapter 74

Nickel & Articles : Chapter 75

Aluminium & Articles : Chapter 76

Lead & Articles : Chapter 78

Zinc & Articles : Chapter 79

Tin & Articles : Chapter 80

Other Base Metals; Articles : Chapter 81

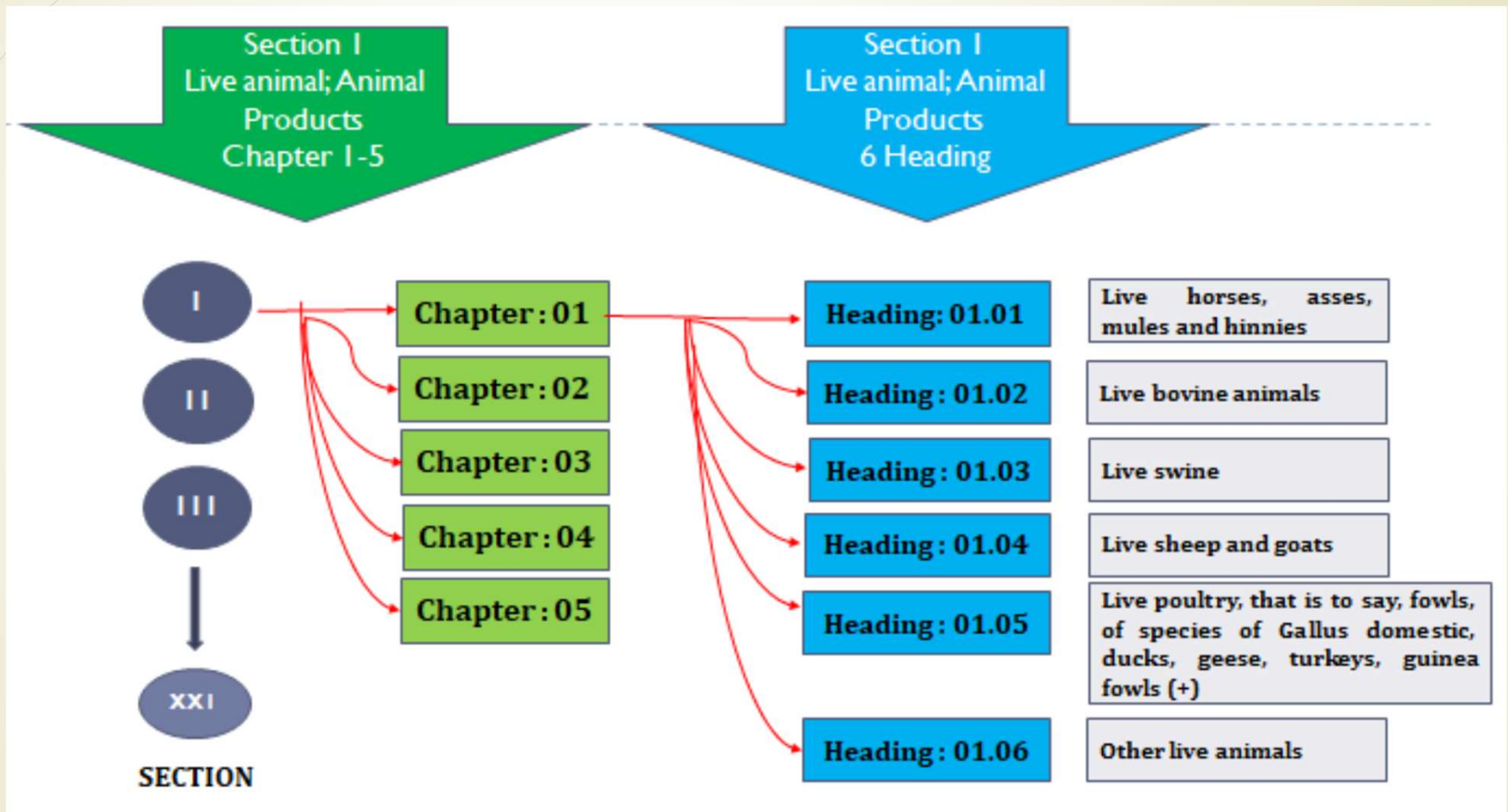
Articles of Iron /
Steel : Chapter 73

Tools & Parts of Base
Metal : Chapter 82

Misc Articles of Base
Metal : Chapter 83



COMPOSITION in HS





CODING SYSTEM in HS



Section -21
(HS2022)

Chapters- 97

Headings- 1,288

Sub-Heading – 5,607



CODING SYSTEMS in HS

4 DIGIT HEADING (WCO LEVEL)	73.14	1 Cloth (including endless bands), grill, netting and fencing, of iron or steel wire; expanded metal of iron or steel.
		2 - Woven cloth :
	7314.12.00 00	- - Endless bands for machinery, of stainless steel
	7314.14.00 00	- - Other woven cloth, of stainless steel
	7314.19	- - Other :
6 DIGIT SUB-HEADING (WCO LEVEL)	7314.19.10 00	- - - Endless bands for machinery other than of stainless steel
	7314.19.90 00	- - - Other
	7314.20.00 00	- - - Grill, netting and fencing, welded at the intersection, of wire with a maximum cross-sectional dimension of 3 mm or more and having a mesh size of 100 cm ² or more
		- - - Other grill, netting and fencing, welded at the intersection :
8 DIGIT SUB-HEADING (ASEAN LEVEL)	7314.31.00 00	- - Plated or coated with zinc
	7314.39.00 00	- - Other
		- - - Other cloth, grill, netting and fencing :
	7314.41.00 00	- - Plated or coated with zinc
	7314.42.00 00	- - Coated with plastics
10 DIGIT NATIONAL SUB-HEADING (NATIONAL LEVEL)	7314.49.00 00	- - Other
	7314.50.00 00	- - Expanded metal



Roles of Punctuation in HS

SEMI-COLON (;)

- 1) It is used to indicate **a full-stop**.
- 2) A good or list of goods separated by semi-colons must be treated **as distinct and separate from each other** when considering tariff classification at the heading or subheading level.

Example :

83.06 - Bells, gongs and the like, non-electric, of base metal ; statuettes and other ornaments, of base metal ; photograph, picture or similar frames, of base metal ; mirrors of base metal.

COLON (:)

- 1) It is used to indicate that **further subdivisions** will occur.
- 2) The colons appear after the end of every subheading text which has **further breakdowns**.

Example :

01.04 Live sheep and goats.
0104.10 - Sheep ;
0104.10.10 - - Pure-bred breeding animals
0104.10.90 - - Other
0104.20 - Goats:



COMMA (,)

- 1) It is used **to separate items or list of goods** described in the heading & subheading texts.
- 2) It is used **to separate the list of items** from the descriptor phrase or from **a series of descriptors** to which the items belong.

Example 1 :

To separate the list of items

84.29 - Self-propelled bulldozers , angle dozers , graders , levellers , scrapers , mechanical shovels , excavators , shovel loaders , tamping machines and road rollers .

Example 2 :

A series of descriptors

72.21 - Bars and rods , hot-rolled , in irregularly wound coils , of stainless steel .

PERIOD (.)

- 1) It is used to indicate a full stop in the heading text which means **only** those products mentioned are included and nothing more.
- 2) The period indicates the **end of the descriptive text** of the heading. Only those article described therein can be classified under the term of that heading.

Example :

42.03 - Articles of apparel and clothing accessories, of leather or of composition leather .



SCOPE of LEGAL NOTES in HS

1. Legal Notes on **EXCLUSION**

- To exclude certain goods from the Section or Chapter.

Example : Chapter Note 1 to Chapter 84

1. This Chapter **does not cover**:

- a) Millstones, grindstones or other articles of Chapter 68;

3. Legal Notes on **DEFINITION**

- To define a paper that can be considered a newsprint.

Example :
Chapter Note 4 to Chapter 48

4. In this Chapter the expression "newsprint" means **uncoated paper**.

2. Legal Notes on **SCOPE**

- To determine the scope of the Section or Chapter

Example : Chapter Note 1 to Chapter 1
1. This Chapter covers all live animals **except –**

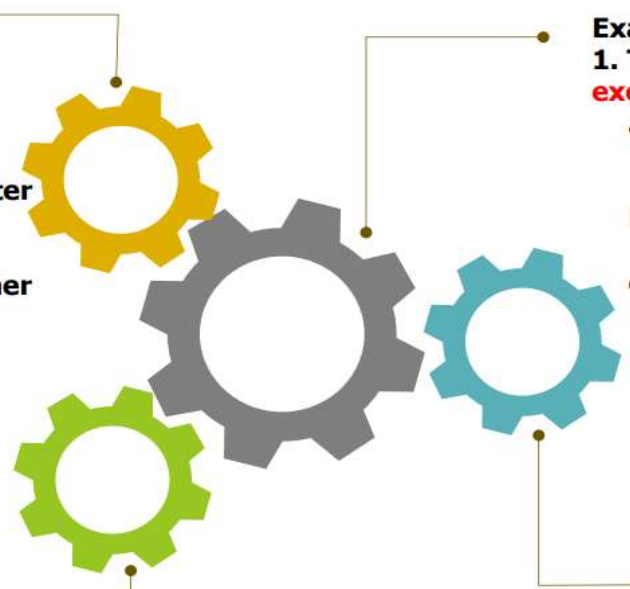
- a) Fish and crustaceans, molluscs and other aquatic invertebrates of heading 03.01, 03.06 or 03.07 or 30.08;
- b) Cultures of micro organisms and other products of heading 30.02; and
- c) Animals of heading 95.08

4. Legal Notes on **NATIONAL NOTE**

- To clarify & define the terms or texts in the national line as required.

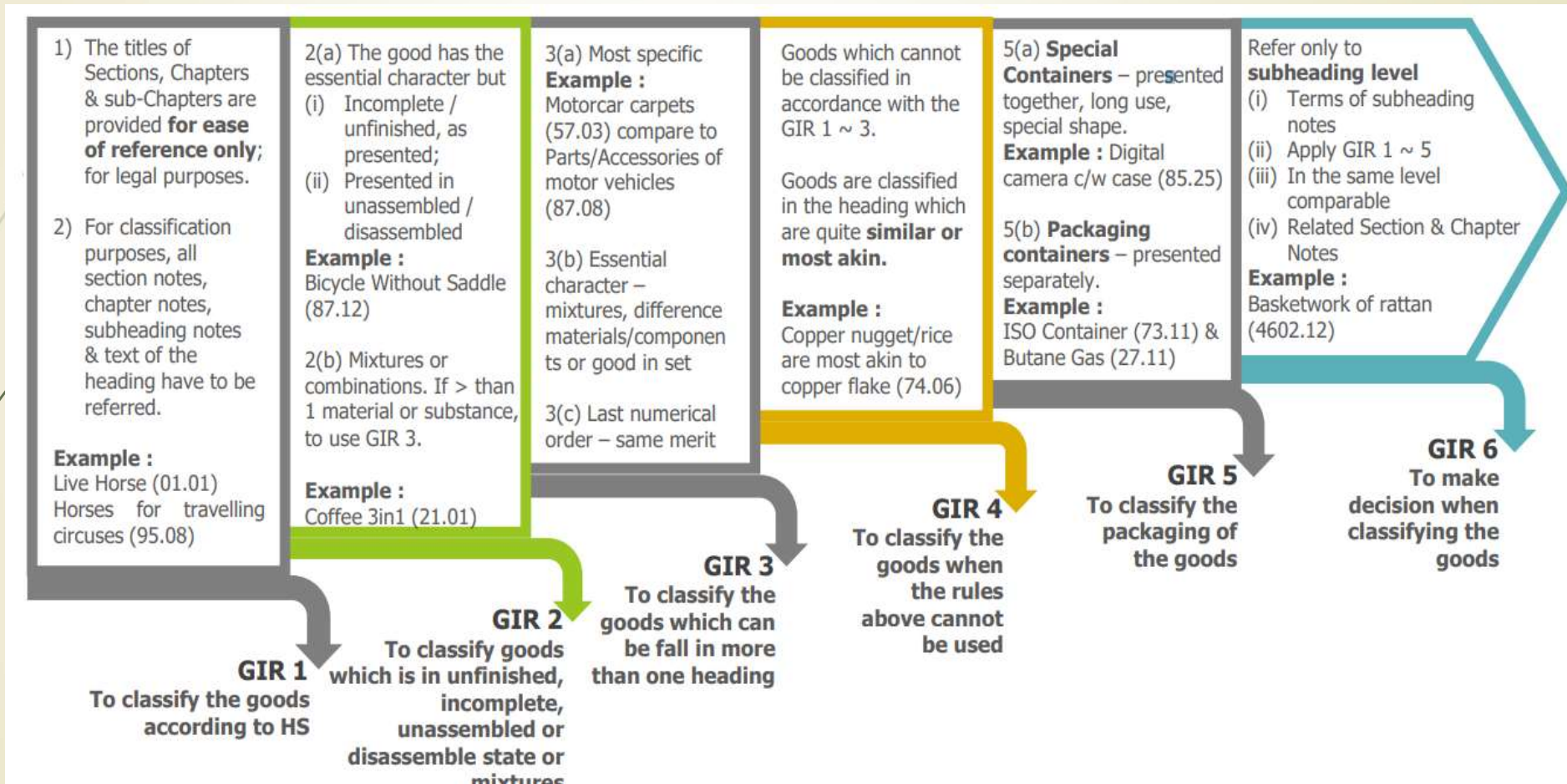
Example :

- a) Terms of Infant (**heading 04.02**)
- b) Children Bicycle (**heading 87.12**)
- c) C.K.D (**heading 87.02 or 87.03 or 87.11**)



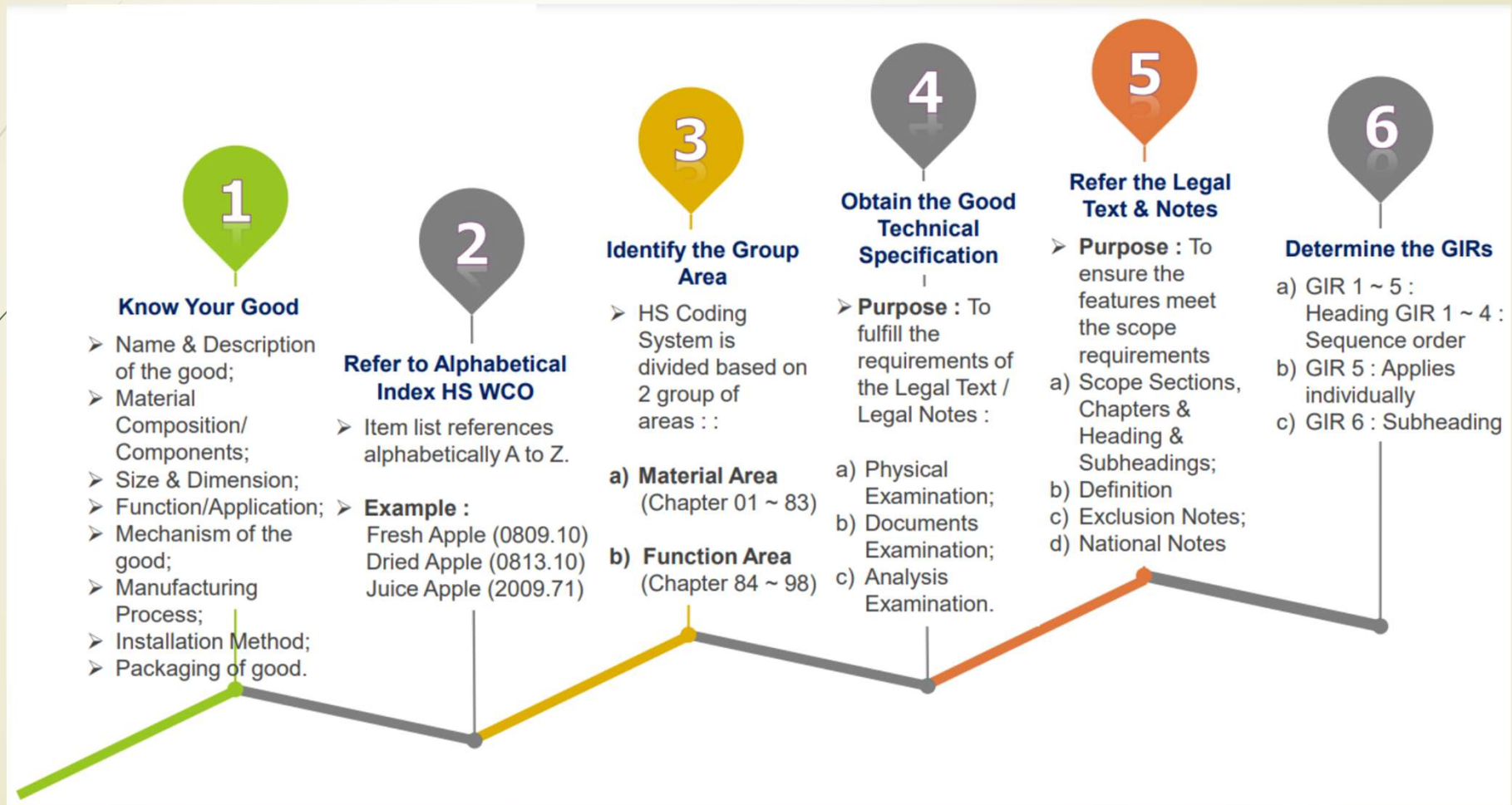


General Rules of Interpretation (GIRs)





Steps in Determination HS Code





HOW TO READ THE HS?

1. Start from the heading

2. Compare same dash level

3. Choose best fit description

➤ HS has a layer-by-layer structure.

➤ 1-dash is the breakdown from no dash; 2-dashes is the breakdown from 1-dash.

09.04 Pepper of the genus *Piper*; dried or crushed or ground fruits of the genus *Capsicum* or of the genus *Pimenta*.

- Pepper:

- Fruits of the genus *Capsicum* or of the genus *Pimenta*:



➤ Start from the heading, compare descriptions at the 1-dash level.

➤ Compare descriptions at the same dash level only.

- Pepper:

0904.11 -- Neither crushed nor ground:

0904.12 -- Crushed or ground:

➤ Choose the description that best fit your product.

➤ Repeat the process, comparing at the same dash level, until there is no further breakdown
i.e. you have obtained the 8-digit HS code

- Pepper:

0904.11 -- Neither crushed nor ground:

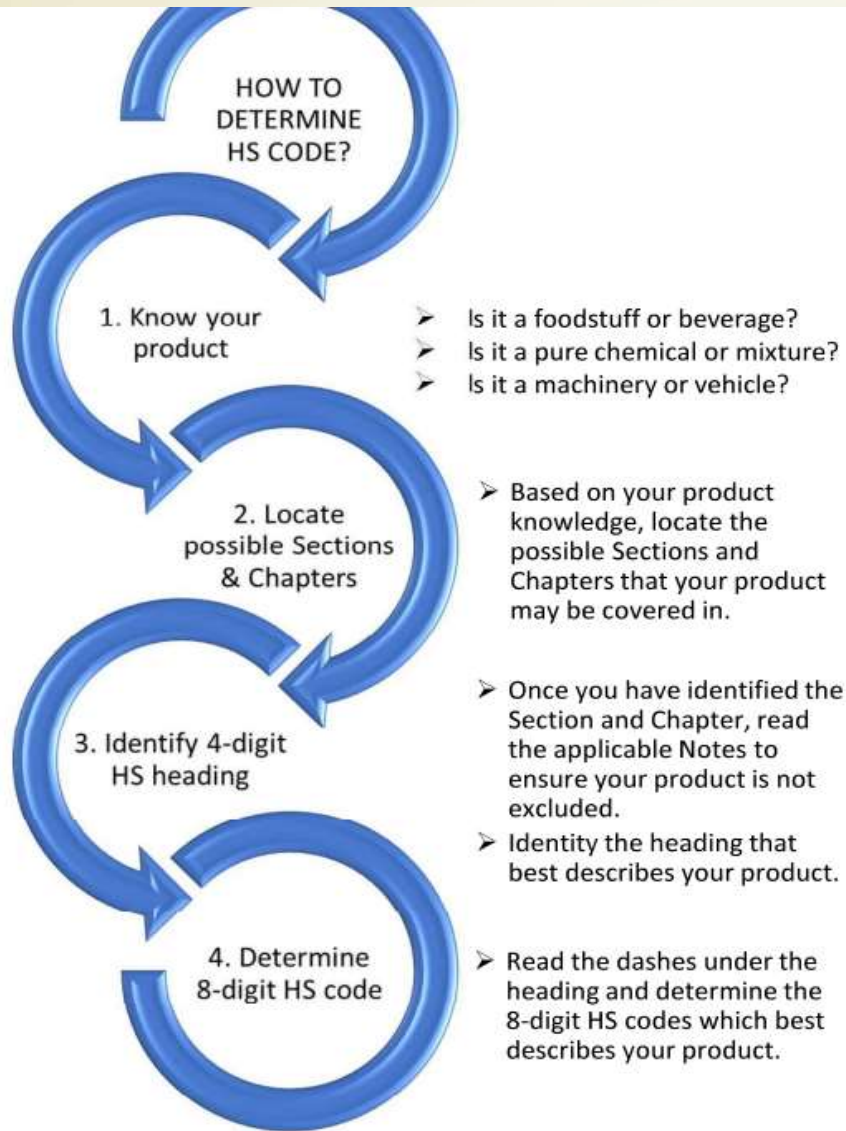
0904.11.10 --- White

0904.11.20 --- Black

0904.11.90 --- Other



HOW TO DETERMINE HS CODE?



Product is **black pepper**, not crushed or ground.

SECTION II VEGETABLE PRODUCTS

Note.

1. In this Section the term "pellets" means products which have been agglomerated either directly by compression or by the addition of a binder in a proportion not exceeding 3 % by weight.

Section II
Vegetable Products;
Chapter 9
Coffee, tea, maté and spices

09.01	Coffee, whether or not roasted or decaffeinated; coffee husks and skins; coffee substitutes containing coffee in any proportion.
09.02	Tea, whether or not flavoured
09.03	Maté.
09.04	Pepper of the genus <i>Piper</i>; dried or crushed or ground fruits of the genus <i>Capsicum</i> or of the genus <i>Pimenta</i>.

Heading 09.04
Pepper of the genus *Piper*; dried or crushed or ground fruits of the genus *Capsicum* or of the genus *Pimenta*.

	- Pepper:
0904.11	-- Neither crushed nor ground:
0904.11.10	--- White
0904.11.20	--- Black
0904.11.90	--- Other

HS code 0904.11.20
Black pepper of the genus *Piper*, not crushed or ground



Checklist for Classification

Foods / Drinks



Section : I, II, III & IV
Chapter : 01 – 24

Documents :

1. Certificate of Analysis
2. Material Safety Data Sheet
3. Manufacturing Process
4. Catalogue/Brochure
5. Composition & Percentage of Materials
6. Product Sample

Technical Specification :

1. Product Description
2. Conditions of Product (Raw Material / Intermediate / Finished Product)
3. Function / Application
4. Packaging
5. Consumption Method

Plastics/ Rubbers



Section : VII
Chapter : 39 & 40

Documents :

1. Certificate of Analysis
2. Material Safety Data Sheet
3. Manufacturing Process
4. Catalogue/Brochure
5. Composition & Percentage of Materials
6. Product Sample

Technical Specification :

1. Product Description
2. Conditions of Product (Raw Material / Intermediate / Finished Product)
3. Physical Features
4. Function/Application

Chemical Products



Section : V, VI, VIII, IX, X, XI, XII, XIII
Chapter : 25 – 27, 28 – 38, 41 – 43, 44 – 46, 47 – 48, 50 -63, 64 – 67 & 68 - 70

Documents :

1. Certificate of Analysis
2. Material Safety Data Sheet
3. Manufacturing Process
4. Catalogue/Brochure
5. Composition & Percentage of Materials
6. Product Sample

Technical Specification :

1. Product Description
2. Conditions of Product
3. Physical Features
4. Function/Application

Base Metals Products



Section : XV
Chapter : 72 - 83

Documents :

1. Mill Test Certificate / Inspection Certificate
2. SIRIM / CIDB Test Report
3. Manufacturing Process
4. Catalogue/Brochure
5. Product Sample

Technical Specification :

1. Product Description
2. Function/Application
3. Chemical Composition
4. Size/Dimension
5. Physical Features
6. Standard / Grade
7. Manufacturing Process



Checklist for Classification

Stones / Jewelleries



Section : XIV
Chapter : 71

Documents :

1. Certificate / Lab Analysis
2. Material Safety Data Sheet
3. Manufacturing Process
4. Percentage of Materials
5. Brochure/Catalogue
6. Product Sample

Technical Specification :

1. Product Description
2. Conditions of Product
3. Physical Features
4. Function/Application

Machines / Machineries / Instruments



Section : XVI & XVIII
Chapter : 84 – 85, 90

Documents :

1. Components/Parts/ Accessories
2. Technical Specification
3. User Manual
4. Product Sample
5. Picture of Good

Technical Specification :

1. Product Description
2. Physical Features (Complete/Incomplete/Assembled/ Disassembled)
3. Conditions of Product (Main / Parts / Other Parts / Accessories)
4. Function/Application
5. Mechanism of Good

Vehicles



Section : XVII
Chapter : 86 - 89

Documents :

1. Components/Parts/ Accessories
2. Technical Specification
3. Product Sample
4. Picture of Good
5. MIDA Manufacturing License / MITI Approval Letter / Excise License

Technical Specification :

1. Product Description
2. Physical Features (CKD / CBU)
3. Conditions of Product (Body / Parts / Accessories)
4. Function/Application
5. Mechanism of Good

Miscellaneous



Section : XVIII, XIX, XX, XXI
Chapter : 91 – 92, 93, 94 – 96 & 97 - 98

Documents :

1. Components/Parts/ Accessories
2. Technical Specification
3. User Manual
4. Product Sample
5. Picture of Good

Technical Specification :

1. Product Description
2. Physical Features (Complete/Incomplete /Assembled/Disassembled)
3. Conditions of Product(Main /Parts/Other Parts/ Accessories)
4. Function/Application
5. Mechanism of Good

HS Quiz 1



Description : Air purifier with filter to remove dust particles in the air & eliminate odors in large bedrooms, living rooms or offices.

Air Purifier AC1215



Pre-filter + Carbon activated filter
+ True Hepa filter for higher efficiency



A

8421.39.2000 : Filtering or purifying machinery and apparatus for liquids or gases : Air Purifiers

B

8479.89.6900 : Other machines and mechanical appliances, electrically operated

C

8543.70.9000 : Electrical machines and apparatus, having individual functions, not specified or included elsewhere in this Chapter 85

D

9031.80.9000 : Measuring or checking instruments, appliances and machines, not specified or included elsewhere in this Chapter 90

HS Quiz 2



Description : Rechargeable lithium-ion battery for use in automotive.



- A** 8504.40.2000 : Battery charges

- B** 8506.50 .0000 : Lithium Primary cells and primary batteries

- C** 8708.99.9900 : Other parts and accessories of the motor vehicles of headings 87.01 to 87.05

- D** 8507.60.3300 : Lithium battery pack of a kind used for vehicles in Chapter 87

HS Quiz 2



Description : Virtual reality set for a video game console, consisting of a virtual reality headset, a processing unit, connection cable and power cables.



A

8471.90 : Other Automatic data processing machines and units thereof

B

8525.89 : Other digital cameras

C

8528.72 : Other color monitors

D

9504.50 : Other Video game consoles and machines