

THE HARMONIZED SYSTEM

INTRODUCTION

The Harmonized Commodity Description and Coding System, commonly known as the Harmonized System or the HS, is an international nomenclature for the classification of goods. The HS is a multipurpose goods nomenclature used not only as a basis for customs tariffs and collection of international trade statistics but also for a variety of purposes including international trade negotiations, determination of the rules of origin of goods, monitoring of controlled goods (for example, hazardous wastes, narcotics, chemical weapons, ozone layer depleting substances, endangered species etc.). Singapore implemented the HS on 1st Jan 1988.

STRUCTURE

The Harmonized System comprises 97 Chapters and is arranged in 21 Sections. The pattern of arrangement of goods in the HS is in increasing degree of manufacture: raw materials, unworked products, semi-finished products, finished products. For example, live animals fall in Chapter 1, animal hides and skins, in Chapter 41 and leather footwear, in Chapter 64. The same progression also exists within the Chapters and headings. The Harmonized System consists of:

- i) Section and Chapter Notes, including subheading notes
- ii) A list of headings arranged in systematic order and, where appropriate, subdivided into subheadings
- iii) General Interpretative Rules (GIR)

Section

A *Section* is a grouping of a number of Chapters which codifies a particular class of commodities. Section Notes define the scope of the Chapters and headings within the Section. Sections in the Nomenclature are represented by Roman numerals, for example:

- Section I – Live animals; animal products
Section VI – Products of the Chemical or Allied Industries

Chapter

A *Chapter* consists of a title, Chapter Notes, and the codes and descriptions of commodities which are generally related to the title of the Chapter. A Chapter is represented by the first 2 digits in the heading, for example:

- Chapter 1 – Live animals
Chapter 22 – Beverages, spirits and vinegar

Heading

Each *Heading* of the Nomenclature is identified by a 4-digit code. The first two digits indicate the Chapter wherein the Heading appears, while the latter two digits indicate the position of the Heading in the Chapter, for example:

- 18.02 – “Cocoa shells.....” is the second Heading in Chapter 18
- 61.10 – “Jerseys, pullovers.....” is the tenth Heading in Chapter 61

Subheading

In addition, headings can be subdivided into two or more 1-dash (-) *subheadings* which, where necessary, are themselves further divided into two or more 2-dash (--) subheadings, for example,

- 11.08 Starches; inulin. [Heading level and description]
- Starches: [1-dash level]
- 1108.11.00 - - Wheat starch [Subdivided into 2-dash level and subheading]

The Harmonized System is identified by a 6-digit code, the first four digits of which correspond to the relevant heading number, while the fifth and sixth digits identify the 1-dash or more subheadings. The absence of division into subheadings is indicated by zeroes in the fifth and sixth digits. The 6-digit level is an international classification and countries using the HS Nomenclature will use the same numbering and descriptions for all headings and subheadings. Countries may make their own provisions for further subdivisions beyond the 6-digit level.

Singapore is adopting the 8-digit HS code incorporating the ASEAN Harmonized Tariff Nomenclature to promote uniformity in the classification of goods and facilitate trade within ASEAN member countries. Below is an example of an AHTN subheading which is broken down from the international HS level subheading:

09- Chapter	09.01- Heading	0901.11 Subheading	0901.11.10 Subheading
(2-digit HS Chapter)	(4-digit HS Heading)	(6-digit level, international HS code)	(Addition of 2 digits to the HS, 8-digit AHTN code for Singapore and ASEAN member countries)