

## **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 tariff and compilation of international trade statistics but also for a variety of purposes including international trade negotiations, determination of the origin of the goods, monitoring of controlled goods (for example, hazardous wastes, narcotics, chemical weapons, ozone layer depleting substances, endangered species etc.). Singapore implemented the HS on 1<sup>st</sup> 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 the 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 provides:

- 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. The Section Notes explain the scope of Chapters/headings, etc.. Sections in the Nomenclature are represented by Romanised Characters, for example:

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

#### **Chapter**

A *Chapter* consists of Chapter Notes, brief descriptions of commodities arranged at 4-digit and 6-digit level. A Chapter is represented by the first 2 digits in the heading, for example:

Section I

- 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 are subdivided into two or more 1-dash (-) *subheadings* which, where necessary, are themselves further divided into two or more 2-dash (--) subheadings and which are identified by a 6-digit code, for example,

- 11.08 Starches:inulin. [Heading level and description]
- Starches: [1-dash level]
- 1108.11.00 -- Wheat starch [further subdivided into 2-dash 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 and 2-dash subheadings respectively. The absence of such subheadings is indicated by a zero. At the 6-digit level it is an international classification and all countries using the HS Classification System will be referring to the same items falling within the 6-digit code. Countries adopting the HS may make provisions for further subdivisions beyond the 6-digit level.

Singapore will adopt the 8-digit HS code incorporating the ASEAN Harmonized Tariff Nomenclature as a common tariff nomenclature to promote uniformity in the classification of goods within ASEAN member countries.

For example,

- 10.05 Maize (corn) [Chapter 10, Heading 10.05]
- 1005.10.00 - Seed [Subheading, 6-digit level international HS code]
- 1005.90 - Other:
- 1005.90.10 -- Popcorn [Addition of 2 digits, 8-digit HS code for Singapore and ASEAN member countries]