## Exporting 101-Determine HS Codes

### **FAST FACTS**

# Harmonized System & Schedule B Numbers

Harmonized System (HS) codes are a standardized numerical method of classifying traded products. HS codes are 6 digits. These 6 digits are standardized across countries.

Schedule B numbers contain 10 digits. The first 6 digits are the same as the HS code, which is standardized across countries. The last 4 digits are used by the United States to further classify exported products.

Product Example: Domestic food mixers (blenders)

**HS Code:** 8509.40

Schedule B Number: 8509.40.0020

#### Why are HS Codes Important?

Harmonized System (HS) codes are used by customs authorities around the world to identify products and apply duties and taxes. Services do not have HS codes.

Exporters need to know their product's Schedule B and HS numbers to:

- Determine applicable import tariff rates and whether a product qualifies for a preferential tariff under a Free Trade Agreement
- Complete Electronic Export Information (formerly known as the Shipper's Export Declaration), Certificates of Origin and other shipping documents
- View import and export data for a specific product to determine trends and top markets

#### Determining Your Product's HS Code & Schedule B Number

The U.S. Census Bureau's Foreign Trade database helps you determine your HS code and Schedule B number.

#### **Next Step**

Search for your product's HS code and Schedule B number by visiting: http://uscensus.prod.3ceonline.com/ If you have a U.S. Standard Industrial Trade Classification (SITC) or North American Industry Classification System (NAICS) code for your product, you may convert it to an HS code: http://dataweb.usitc.gov/scripts/commod\_select.asp.

To continue classifying your product, see the following page.



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#### Determining Your Product's HS Code & Schedule B Number

After performing a search for your product, the site will prompt you to further classify the product based on its characteristics. Once you have narrowed down your search, click the "Notes" tab to view the full description for the product. Product descriptions are often technical and should be reviewed by an employee with extensive product knowledge.

Because the last 4 digits of the HS code are used by governments to further classify certain products, the U.S. export code and another country's import code often differ slightly. For example, the blender mentioned above is classified as 8509.40.0020 for U.S. export. For import into India, it is classified as 8509.40.1000. The correct HS code is crucial for determining the applicable tariff rates for your product.

Certain HS codes have changed in 2002, 2007, and January 2012. If you have not exported recently, double check your HS code to be sure it has not changed.

To comply with export regulations, we recommend that you keep a record of how you determined your HS code for a minimum of five years. There are penalties for incorrect or fraudulent use of HS codes. You can confirm your choice of HS code with a representative from the U.S. Census Bureau (Tel: 301-763-3484).

(U.S. Commercial Service)

Virginia Economic Development Partnership - International Trade offers a number of export-related services to Virginia businesses, including trade missions and market research by our Global Network of in-country consultants. These services are available to all Virginia exporters.

For more information, please visit our website: ExportVirginia.org

#### Additional Resources:

Schedule B and HS Code Search Engine U.S. Census

<u>Convert NAIC, SITC, and HS Codes</u> U.S. International Trade Commission

The Harmonized System (HS) U.S. Commercial Service

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