



# CUSTOMS TARIFF

# Customs

## Tariff

### **The Harmonized System:**

The harmonized system means the Nomenclature comprising the headings and subheading and their related numerical codes, the Section, Chapter and subheading Noted and the General Rules for interpretation of the Harmonizes System

### **Who are the users of the Harmonized System?**

1. Government Sector.
2. Traders.
3. Manufacturers.
4. Statistical Agencies.
5. International Organizations.
6. Shipping Agencies.
7. Forwarders.
8. Port Authorities.

### **Customs Tariff Table:**

It is an enforceable table under the legislation of a contracting party (using the Harmonized System as basis for tariff) for collecting customs duties on imported goods.

### **Importance of Proper Description & Classification of Goods**

1. Accurate collection of customs duties as to realize fairness among all importers & make poplar revenue for the treasury.
2. Create a reliable method for imports & exports statistics.
3. Protect the economic & social security through control over trading in goods
4. Determine origin of goods for the purposes of proper implementation of the Economic Agreements.
5. Remove barriers, facilitate trade movement & simplify customs procedures.

### **Harmonized Coding System Convention**

The International Convention on the Harmonized Commodity Description and Coding System under the auspices of the International Customs Organization to facilitate International trade and to meet different needs through a combined tariff/statistical nomenclature suitable to be used by the various interests concerned with the national trade.



## Customs Tariff Nomenclature

The applicable nomenclature under legislation of a contracting party to the Harmonized System Convention for the purposes of levying duties of customs on imported goods.

## Structure of the Harmonized System

The Harmonized System Nomenclatures consists of 21 Chapters divided into 97 Sections while section 77 was left empty for future probabilities and use, there are two reserve sections (89, 99) to respond to the usage needs of the Contracting Parties in future. As for the Harmonized System Sections it consists of Main Articles, Sub-Articles, Local Sub Articles related to each State Member to the Convention.

## Set up Constitution of the Harmonized System

The Harmonized System was set up on the following pillars:

1. General Rules for illustration of Harmonized System
  - a. These rules explain and illustrate the basics used for coding commodities, except if, in the absence of clear contrary terms stated in the Heading Notes and Sub-Heading Notes therein.
  - b. Consists of 6 rules and considers one of the most important basics the Harmonized System built on. It is cumulatively classified and this means when it is not possible to apply Rule No. 1 then Rule No 2 shall become applicable otherwise Rule No. 3 etc.. Taking into consideration that Rule No. 1 up to Rule No 5 classification in it is combined with headings of four digits while Rule 6 classification in it is combined to quality headings of 6 digits.
2. Notes on Chapters and Sections and Notes on Headings and Sub-headings that Chapters and Sections in harmonized Systems includes legal notes which consists with General Rules an integral part of the System while the Notes on the Sub-Headings is related only to illustrations of Sub-headings.

