



# INTERNATIONAL FEDERATION OF CUSTOMS BROKERS ASSOCIATIONS

“The World Customs Brokers Organization”

## **IFCBA Survey on the Harmonized System of Tariff Classification (HS)**

In late 2022, the WCO Secretariat set up a team to consider the possibilities for potential improvements to the Harmonized System of Tariff Classification (HS) and its tools. This attracted the interest of the International Federation of Customs Brokers Associations (IFCBA), which represents customs broker associations and their members in various regions of the world. Whether they are large or small businesses, customs brokers are HS experts, using it every day for a wide variety of clients and products.

To contribute to the WCO’s work in this area, the IFCBA conducted a survey of its members. We had done this once before, in support of the WCO’s Conference on the Future Direction of the Harmonized System which was held in 2019. The results of the current survey provide additional insight on whether anything can or should be done to change the HS, from the perspective of active and expert business users.

The detailed results of the survey are attached, representing 164 individual respondents from Angola, Canada, China, Greece, India, Jamaica, Japan, Malawi, Mexico, Philippines, Thailand, United States and Uruguay. We appreciated all input, and especially the extensive interest in the survey from members of the Japan Customs Brokers Association.

In addition to the survey, the HS was featured at a conference of the IFCBA in Singapore in December, 2022, with a special guest and presenter from the WCO, Ding Ye.

## **Commentary on Survey Responses**

The overwhelming message from all respondents to the survey was the need for stability, predictability and clarity of the Harmonized System. A main area of emphasis was the need for concise language that was clear, unambiguous, and facilitated ease of use. In the survey the IFCBA conducted in 2019, the need for simplicity and clarity of language was also considered a top priority.

Customs brokers know that most tariff disputes occur with the national Customs administration. These disputes often become an interpretation of the HS language that is contained within the actual HS classification schedule and its tools, most notably the General Rules of Interpretation (GRIs) and the Explanatory Notes.

All respondents to the survey favoured using a simpler language to promote accurate HS classification. Aligning the definitions and technical specifications in the HS to what is normally used in various industry sectors can facilitate and improve the accuracy of the identification of goods. All respondents strongly favoured including examples within the Explanatory Notes. Pictorial representations were also suggested as a means of introducing clarity to classification work.

The IFCBA survey highlighted that GRIs are not used as extensively as we might have thought. Fewer than 22% of respondents are utilizing them for every classification, while only 35% are utilizing this tool for three quarters of the classification work performed. This number does increase to 63% who are using the tool at least half of the time, or more, but this still seems surprisingly low. The language used in the GRIs is certainly a factor in this low usage, particularly relating to Rule 2 and 3. There is the potential to promote further education and understanding of the GRIs for the members of associations with low usage.

Nearly 70% of the respondents to the survey agree that a five year review schedule is adequate, but many noted that chapters containing new technology are concerning and that a five year cycle is often not adequate for these chapters.

Although the majority of respondents (57%) felt that their country's implementation of the HS was good or excellent, only 12% awarded an excellent rating. We interpret this to mean that there is room for improvement at the national level, with identification and sharing of best practices.

It is a common complaint from a business perspective that each country's implementation by its Customs administration does not allow for sufficient time to update all the necessary trade systems, and within the wide variety of industry sectors that also rely on the HS. This is a potential area where the WCO can provide strong guidance to the Customs administrations on implementation timelines and processes.

It is encouraging that possible areas of improvement have been identified by the IFCBA survey, and there is also positive feedback about what is being done right, that is, what works. There is no support for elimination or replacement of the HS. The IFCBA supports and welcomes further dialogue on how the language of the HS, and its tools, can be improved to promote compliance in classification, and how implementation of changes can be facilitated. This is the very heart of the work performed by our members, which is an important part of their connection with national Customs administrations, contributing to national competitiveness and prosperity.

Attached are the detailed results of the survey. The survey and most responses are in English, although we have included responses originally received in Japanese. We welcome any questions or comments you may have.

**IFCBA Secretariat**  
**January, 2023**  
**[cwest@ifcba.org](mailto:cwest@ifcba.org)**



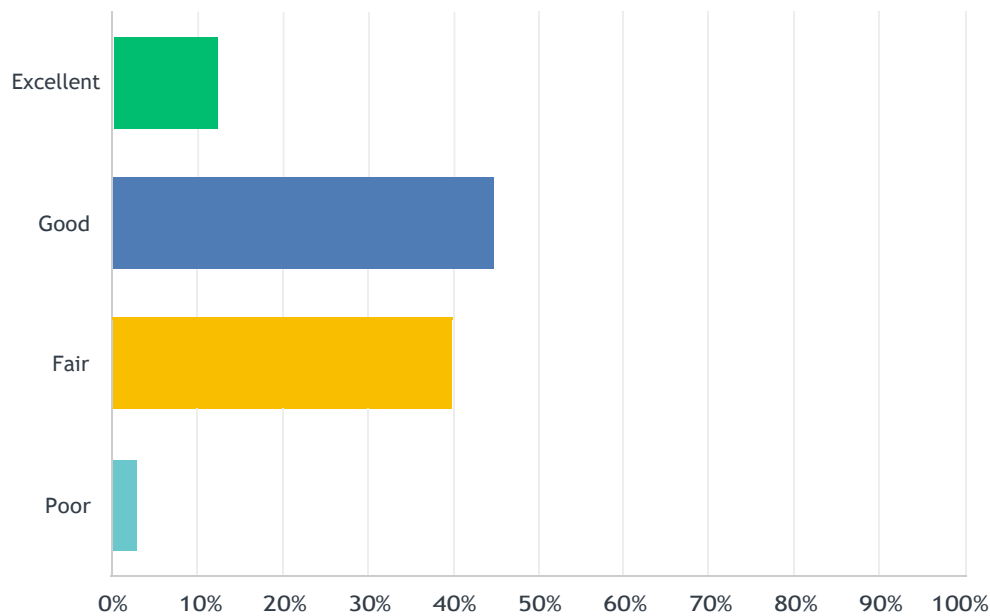
INTERNATIONAL FEDERATION OF  
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# IFCBA Survey Results on the WCO Harmonized System of Tariff Classification (HS)

January, 2023

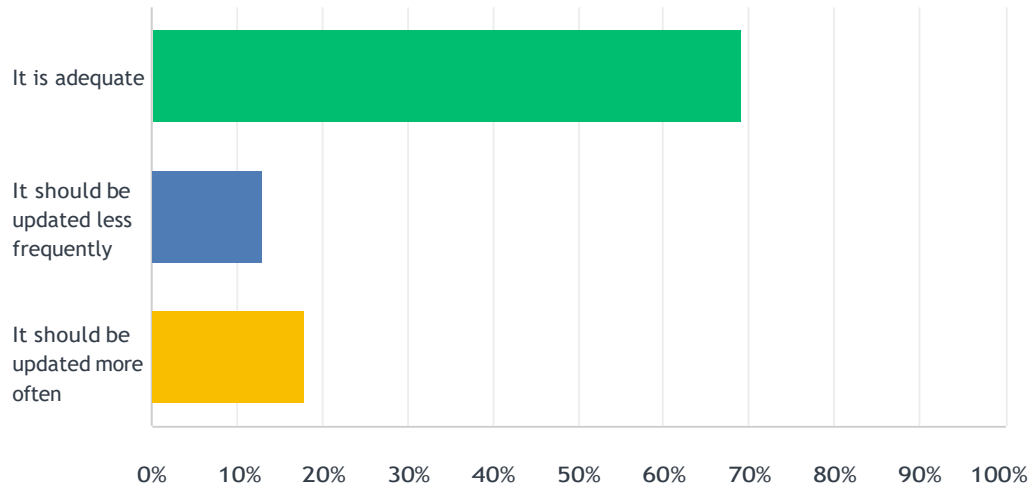
### Q1 The World Customs Organization (WCO) updates the Harmonized System (HS) every five years. How would you rate your country's implementation of changes to the HS?



ANSWER CHOICES	RESPONSES
Excellent	12.27%
Good	44.79%
Fair	39.88%
Poor	3.07%

#	COMMENTS
1	I think as a result of new technology daily, every five years is not adequate
2	too many updates make it difficult and confusing for importers to ensure they are using the correct HTS.
3	Adding new headers is OK. Fundamental reform is not enough.
4	細分がありすぎる。
5	5年は、適正な期間だと思います。
6	We have adequate implementation.
7	We are well informed about customs' changes.
8	We wish you don't update the Harmonized System fluently because it's hard for us to deal with it.
9	世界的な緊急事態が発生した際には部分的な更新を行えるようにしてもよいと考える。
10	Delayed implementation. HS 2022 was implemented on June 1, 2022

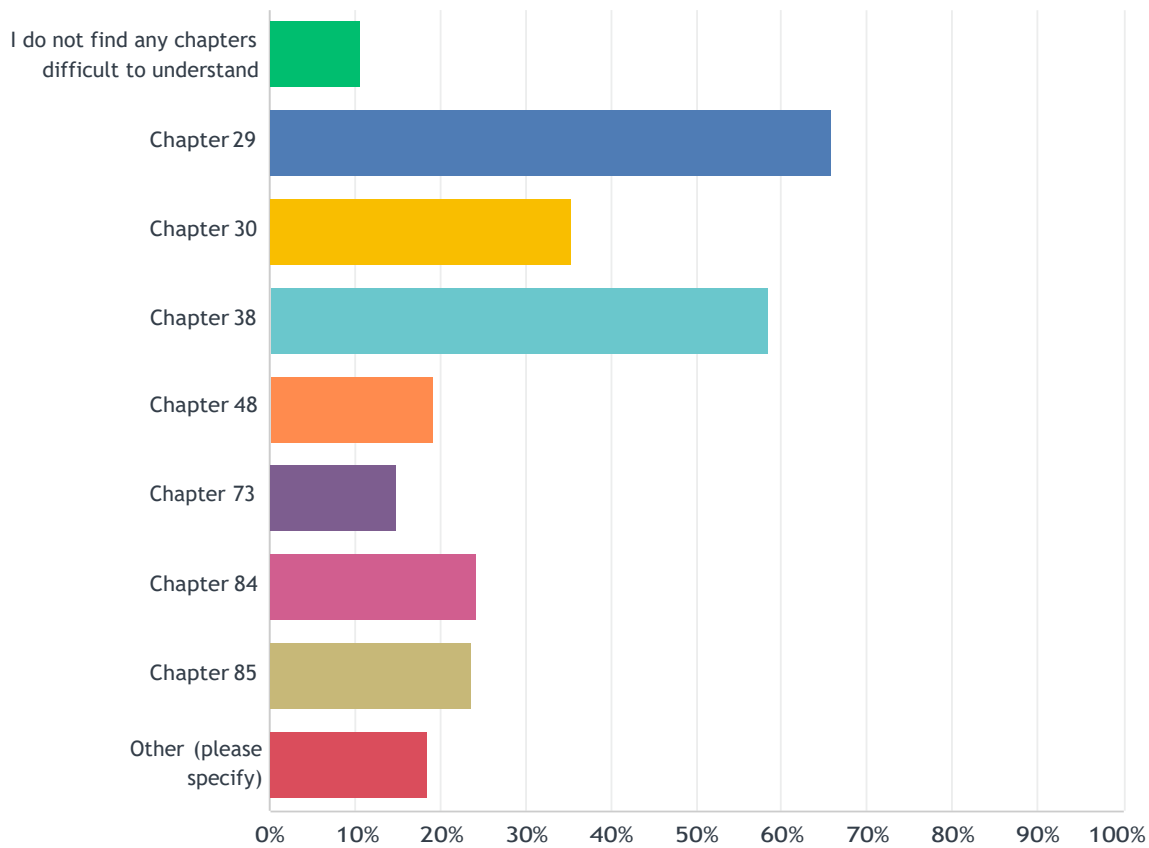
## Q2 Do you think five years is adequate to update the HS?



ANSWER CHOICES	RESPONSES
It is adequate	69.14%
It should be updated less frequently	12.96%
It should be updated more often	17.90%

#	COMMENTS
1	Since the HS is now used in a wide variety of sectors, the impact related to the HS revision would have increased dramatically. In addition to changes in tariff rate tables and trade statistics, it is essential to adjust in various trade procedures that incorporate the HS (e.g., EPA tariff rates, EPA certificates of origin, tariff quotas, tax exemption and reduction, and control of imported and exported goods (Trade Control Order)), and the trade systems and electronic data that implement these procedures must also be accurately adapted. The trade systems and electronic data that implement these systems must also be properly adapted. We feel that sufficient time is needed to complete all necessary adjustments. On the other hand, for categories such as 84, 85, and 90, which include products in which technological innovation occurs, it is also necessary to take steps to ensure that they can be properly classified, given the rapid pace of technological progress and new products that are being created one after another.
2	Products are being developed and diversified day by day. There is concern that there will be discrepancies between actual cargo and HS standards.
3	Depending how fast on new technology result to product changing in future.
4	According to the urgency of the needs of the enterprise, it will be updated biennial.
5	Inventions are moving faster than tariff
6	Technology changes so rapidly, updating more often could help keep up with technological changes.
7	We believe that the overall review should be longer than five years, but that the individual reviews should be more detailed and updated.
8	Because a wide variety of products are being developed every day and their applications are becoming more diverse.
9	We work by memorizing the HS-Code and would like to see less frequent revisions.
10	BECAUSE NEW PRODUCTS ARE DEVELOPED FREQUENTLY.
11	定期的であることに意味があると思う。
12	新商品の開発等常に変化している実態に対し5年間ではスパンが長いと感じる
13	Every 10 years would allow for more extensive and far-reaching updates

**Q3 Some parts of the HS are difficult to understand. Please indicate which of the following chapters you find challenging. Select all that apply.**

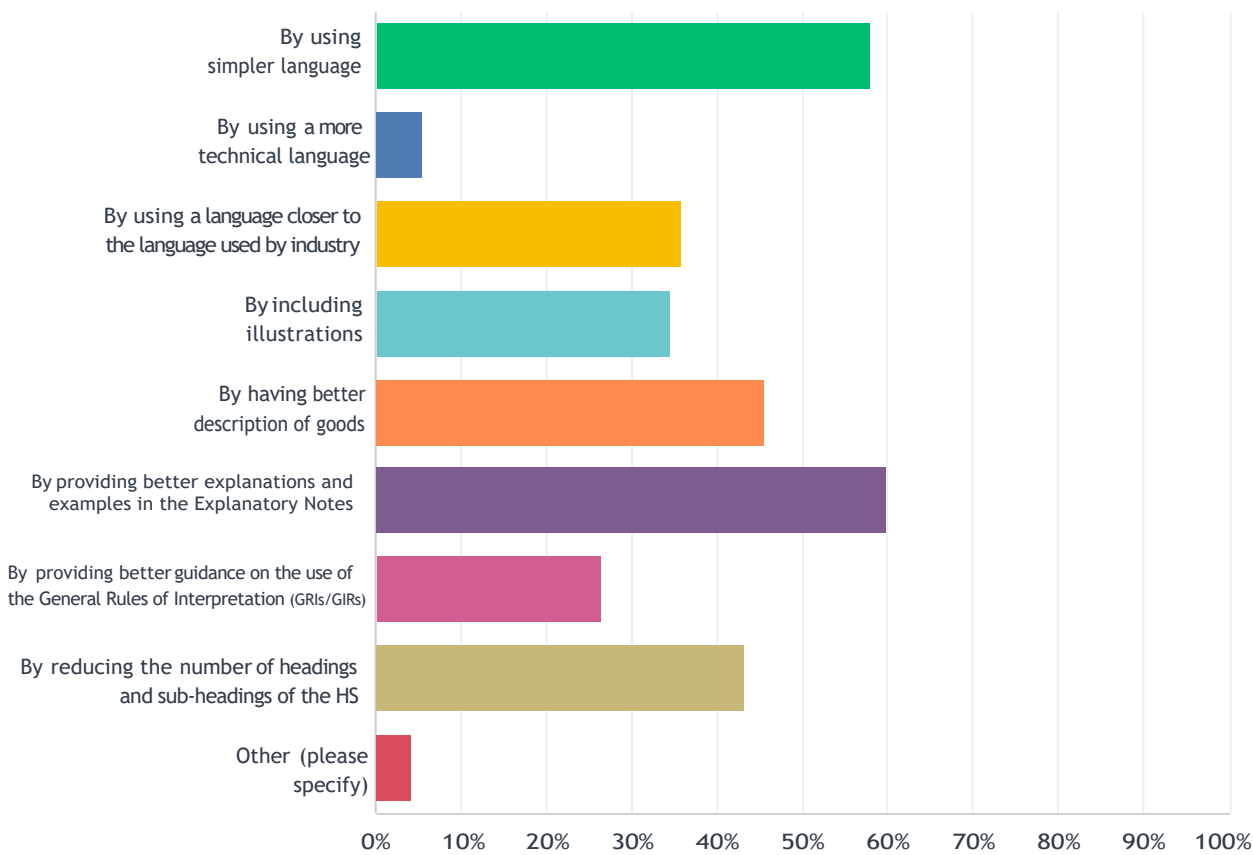


ANSWER CHOICES	RESPONSES
I do not find any chapters difficult to understand	10.56%
Chapter 29	65.84%
Chapter 30	35.40%
Chapter 38	58.39%
Chapter 48	19.25%
Chapter 73	14.91%
Chapter 84	24.22%
Chapter 85	23.60%
Other (please specify)	18.63%

#	OTHER (PLEASE SPECIFY)
1	It is difficult to understand the structure of chapter 84 and chapter 85 and the differences between them.
2	Chapter 61 & 62 —Because garment is the key chapter of export commodity for China, and the definition of many clothing is not very clear, and the styles of clothing are changing frequently, sometimes it is easy to cause classification ambiguity), such as Classification Opinions of "Sleeveless garment" and "Light-weight knitted garment".
3	chapter 72
4	Classification for certain items are vague
5	chapter 90
6	All - Recommend that the Customs Tariff be written in plain language so that is can be accessible to all users.
7	90
8	Chapter 44
9	61, 62, 64
10	Chapter 94 with led lights
11	Chapter 94
12	21,39,42,59,63,94,96
13	Need to be stated in simpler language
14	2710.19や42.02における項の分類表記がわかりづらい
15	chapter40
16	Chapter 50,51,52,53,54,55
17	27, 3506
18	Chapter 61,62 Insufficient definition as clothing diversifies
19	We don't use these chapters often.
20	Chaper 39,40,54,63,95
21	chapter 6101,6102,6201,6202
22	CHAPTER 34,35
23	Chapter 87
24	Chapter 15,28,29
25	全体に細分化され過ぎており集約を検討すべきと考える。
26	CHAPER 60-62
27	61、62類（繊維製品）
28	Chapter61,62,63
29	Chapter 52
30	39



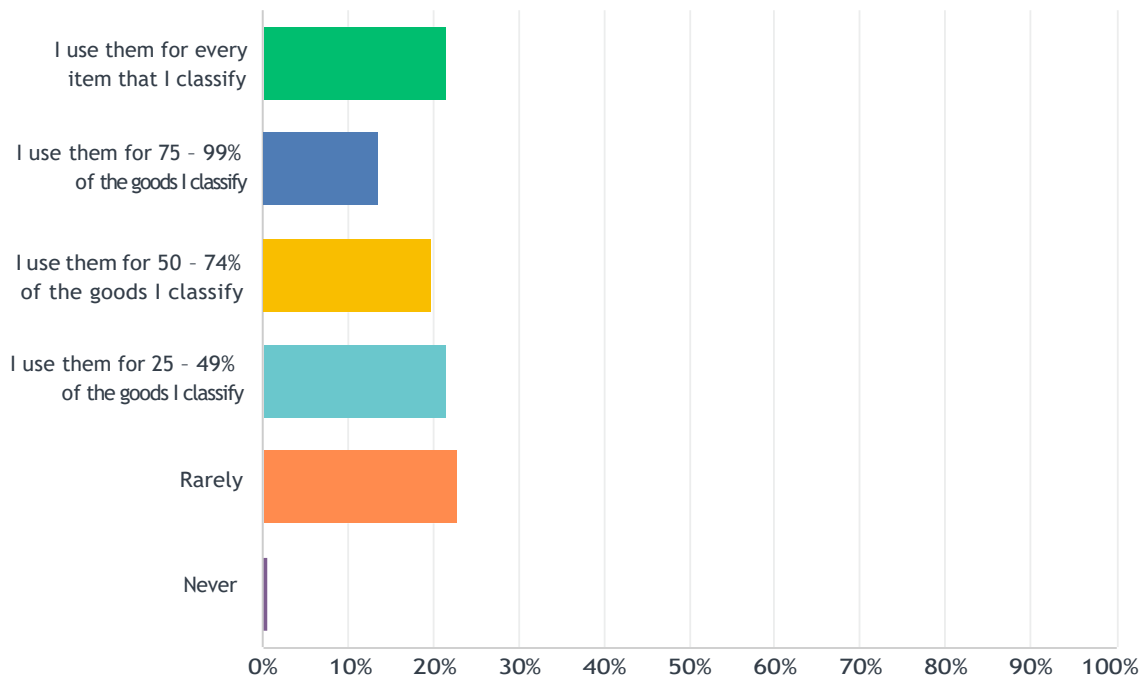
### Q4 How do you think the WCO can improve the HS? Select all that apply.



ANSWER CHOICES	RESPONSES
By using simpler language	58.02%
By using a more technical language	5.56%
By using a language closer to the language used by industry	35.80%
By including illustrations	34.57%
By having better descriptions of goods	45.68%
By providing better explanations and examples in the Explanatory Notes	59.88%
By providing better guidance on the use of the General Rules of Interpretation (GRIs/GIRs)	26.54%
By reducing the number of headings and sub-headings of the HS	43.21%
Other (please specify)	4.32%

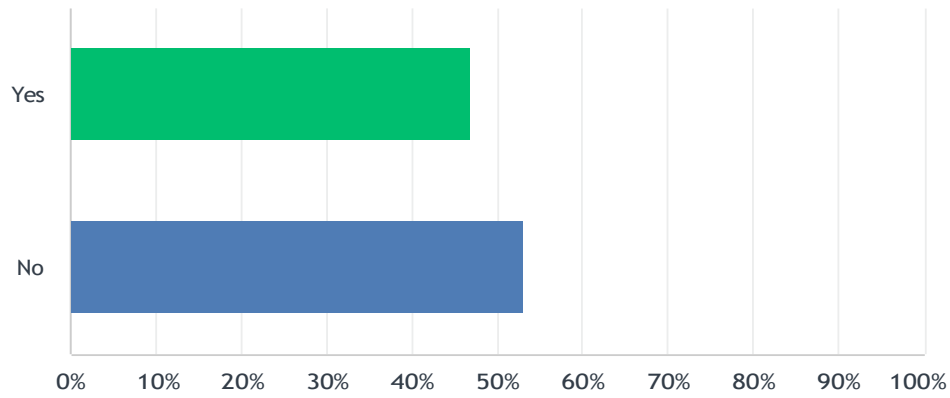
#	OTHER (PLEASE SPECIFY)
1	We feel that there are some ambiguous descriptions and expressions in the HS classification. If the provisions of legal parts such as Headings and Sub-headings, and explanations such as each "Note" are unclear, not only will incorrect classifications occur, but also extra time and costs related to the classification of goods will be incurred. Therefore, they need to be clarified to make classification easier and simpler.
2	set up more objective commentary provisions for important classes, chapters, subchapters, headings and subheadings. Such as: Subheading Notes: Subheading 2009.11 The term "frozen orange juice" also covers concentrated orange juice which, although subjected to and maintained at a temperature around -18 °C, is not frozen solid throughout.
3	Recommend that the Customs Tariff be written in plain language so that it can be accessible to all users.
4	We think it would be good to have both a simple explanation and a technical explanation for the explanation content.
5	By reducing the number of detail items of the HS
6	By providing more precise criteria and exceptions.
7	曲解されづらい表現を心掛けて欲しい。

### Q5 How often do you use the General Rules for the Interpretation (GRIs/GIRs) of the HS when classifying goods?



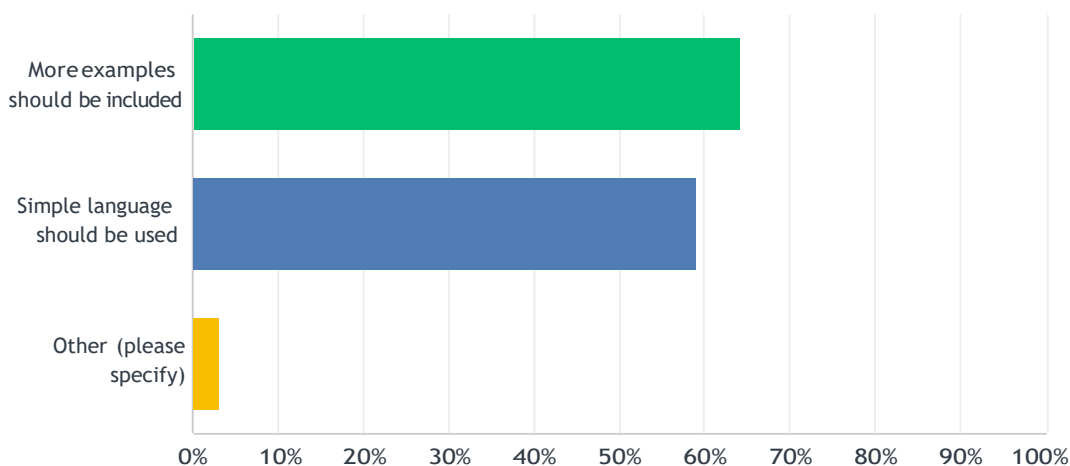
ANSWER CHOICES	RESPONSES
I use them for every item that I classify	21.60%
I use them for 75 – 99% of the goods I classify	13.58%
I use them for 50 – 74% of the goods I classify	19.75%
I use them for 25 – 49% of the goods I classify	21.60%
Rarely	22.84%
Never	0.62%

### Q6 Do you think the General Rules for the Interpretation (GRIs/GIRs) of the HS are easy to understand?



ANSWER CHOICES	RESPONSES
Yes	46.88%
No	53.13%

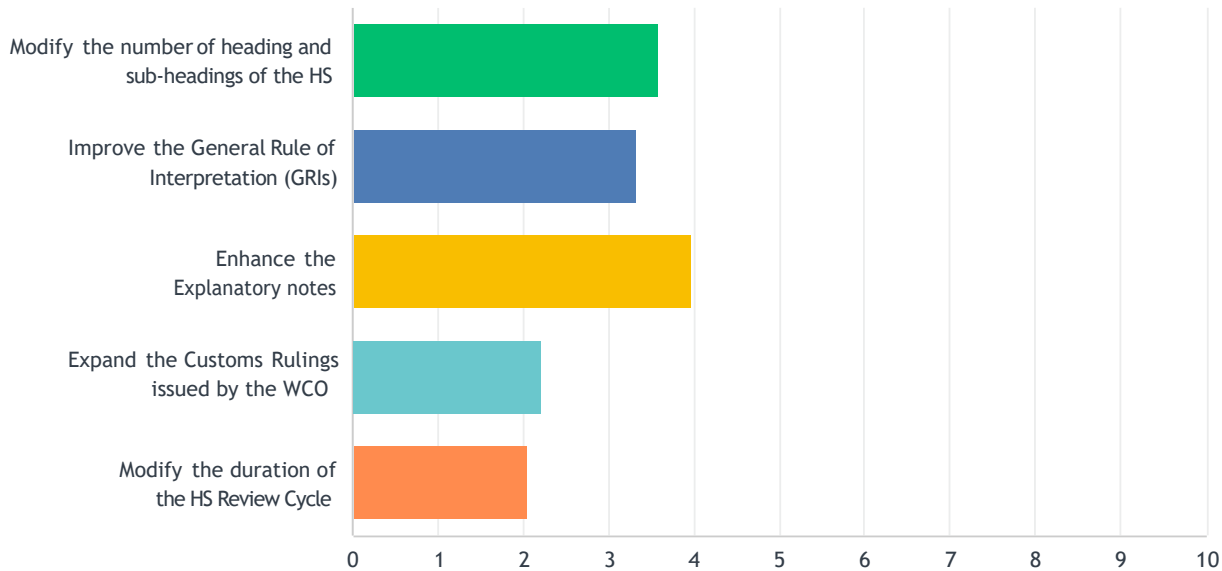
### Q7 How might the GRIs/GIRs be improved? Select all that apply.



ANSWER CHOICES	RESPONSES
More examples should be included	64.15%
Simple language should be used	59.12%
Other (please specify)	3.14%

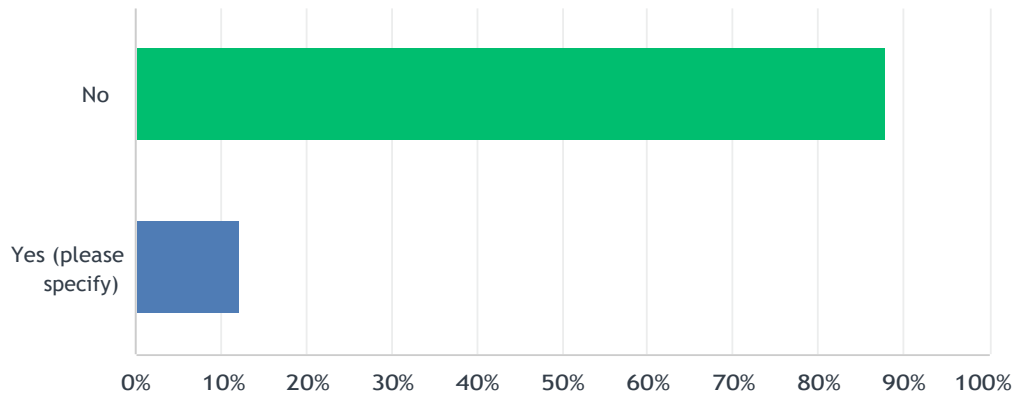
#	OTHER (PLEASE SPECIFY)
1	It should be noted that the GIR is the rule governing the entire classification and any amendment or revision of it would have a very significant impact. Therefore, rather than amending the GIR itself, an option would be to add a detailed explanation and clarification to the EN.
2	no further comments
3	Recommend that the Customs Tariff be written in plain language so that is can be accessible to all users.
4	As stated above
5	根拠ルールなので改善不要。

**Q8 If the WCO were to decide to make changes to the HS without a full review, indicate on a scale from 1 to 5 the priorities that should be addressed. 1 being the highest priority and 5 the lowest priority.**



	1	2	3	4	5	TOTAL	SCORE
Modify the number of heading and sub-headings of the HS.	37.24% 54	16.55% 24	22.76% 33	15.17% 22	8.28% 12	145	3.59
Improve the General Rules of Interpretation (GRIs).	9.66% 14	39.31% 57	31.72% 46	11.72% 17	7.59% 11	145	3.32
Enhance the Explanatory notes.	41.61% 62	28.86% 43	18.12% 27	6.71% 10	4.70% 7	149	3.96
Expand the Customs Rulings issued by the WCO.	6.71% 10	9.40% 14	14.77% 22	36.91% 55	32.21% 48	149	2.21
Modify the duration of the HS Review Cycle.	7.10% 11	7.74% 12	13.55% 21	26.45% 41	45.16% 70	155	2.05

### Q9 Are there specific tariff classifications that are most likely to be the subject of appeals or disputes with your Customs administration?

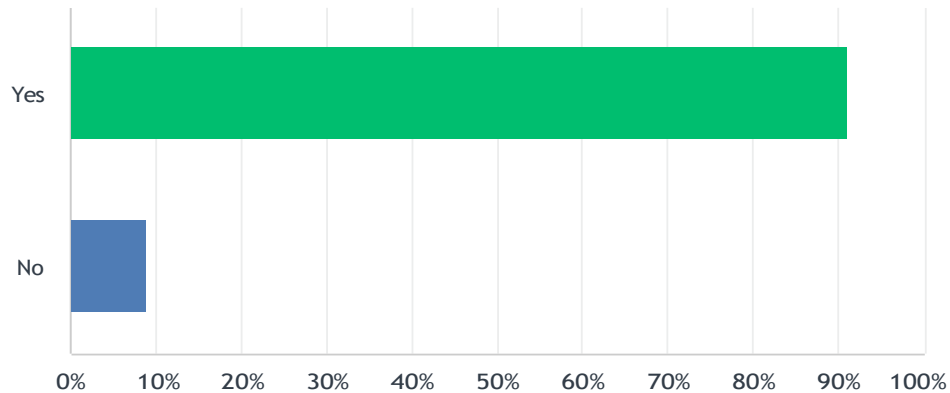


ANSWER CHOICES	RESPONSES
No	87.74%
Yes (please specify)	12.26%

#	YES (PLEASE SPECIFY)
1	Chapter 61-62
2	Machine or some products require product specification for more understanding and classification
3	Discussions on disputed goods with customs through industry associations
4	Classification for twin cabs vehicles in Malawi are different from the rest of the world
5	New technology invention
6	seccion XVI
7	chemicals chapter 29 ,38, 39 etc.
8	Electronics.
9	3402
10	64(because of domestic segmentation)
11	2106か3003か? 成分により医療用か調整食料品になるか判断が難しい。
12	0902の茶の項目からハーブ茶等が除外されて入る為、誤解を招く。
13	17類、18類
14	3506
15	Because it is difficult to specify HS codes in Japan. Nobody in our company can avoid mistakes about it. So we spend so much time to specify HS codes for customs administration.
16	Chapter16、19、21、
17	SOME IRON AND PLASTIC PARTS OF AUTOMOBILE AND MACHINEARY PARTS ETC MUST BE CLASSFIED TO ITS MATERIAL CHAPTER (E.G. CHAPTER 39 OR 73) AND CONFLICTS EXIST BETWEEN EXPORTING COUNTRY AND IMPORTING COUNTRY
18	8471, 8525, 8528
19	2106

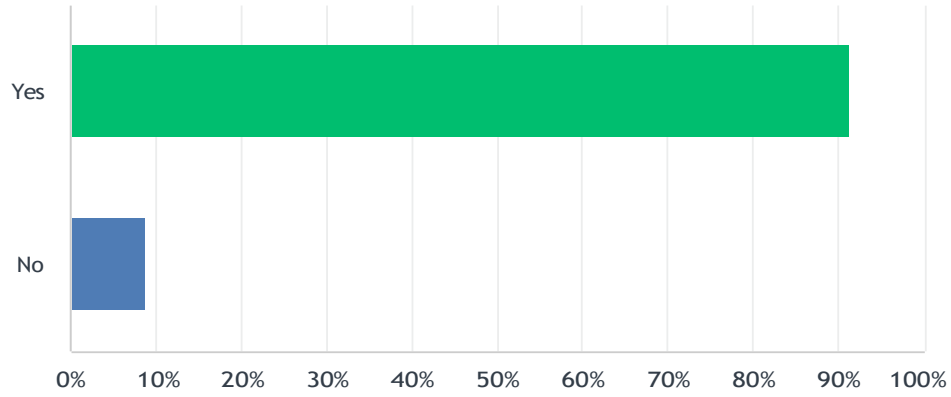


**Q10 Customs administrations can issue advance rulings for tariff classification so that the importing community is aware of the correct tariff classification of goods. Does your Customs administration issue advance rulings?**



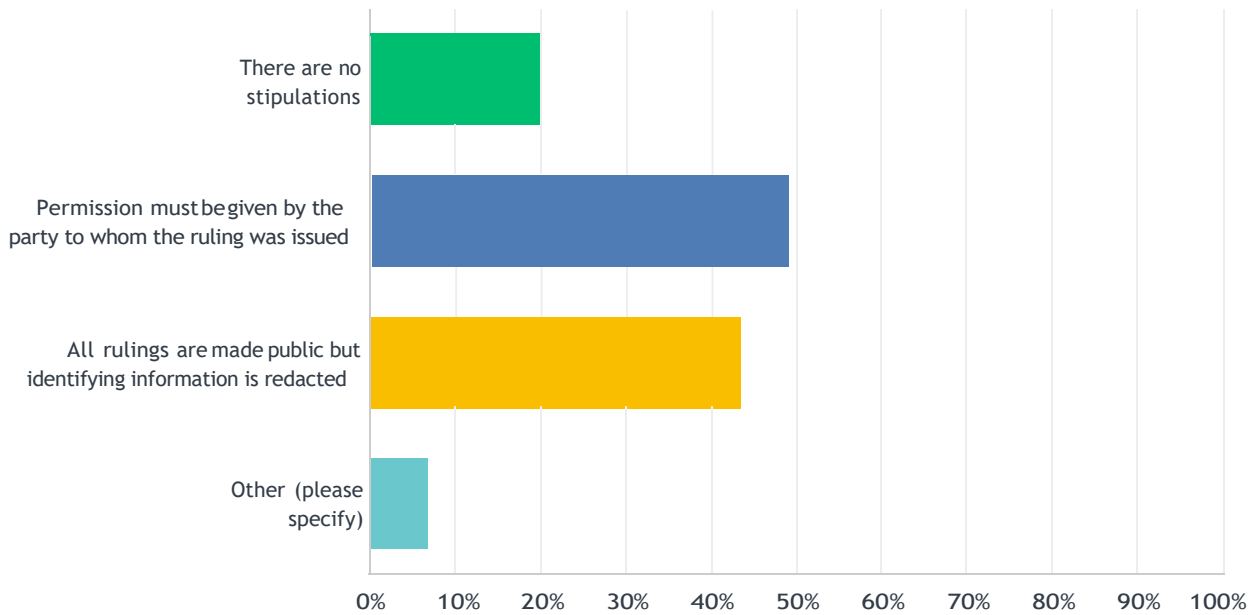
ANSWER CHOICES	RESPONSES
Yes	91.08%
No	8.92%

### Q11 If yes, are advance rulings made public?



ANSWER CHOICES	RESPONSES
Yes	91.33%
No	8.67%

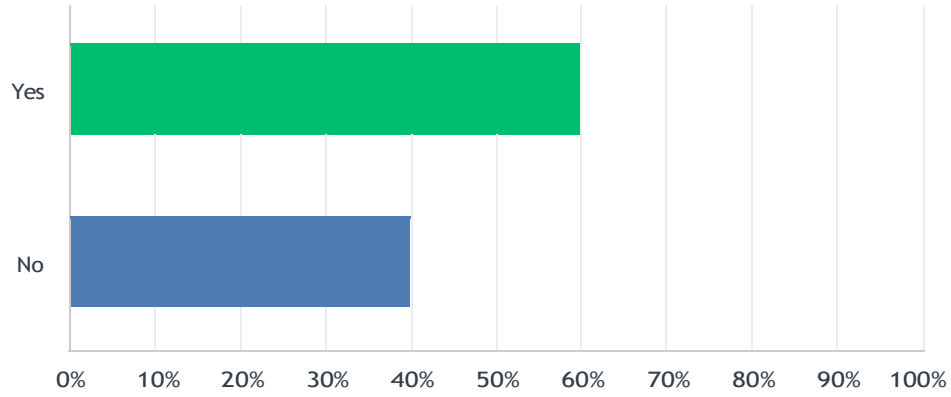
### Q12 If advance rulings are made public, are there any stipulations before an advance ruling is made public? Select all that apply.



ANSWER CHOICES	RESPONSES
There are no stipulations	20.69%
Permission must be given by the party to whom the ruling was issued	48.97%
All rulings are made public but identifying information is redacted	43.45%
Other (please specify)	6.90%

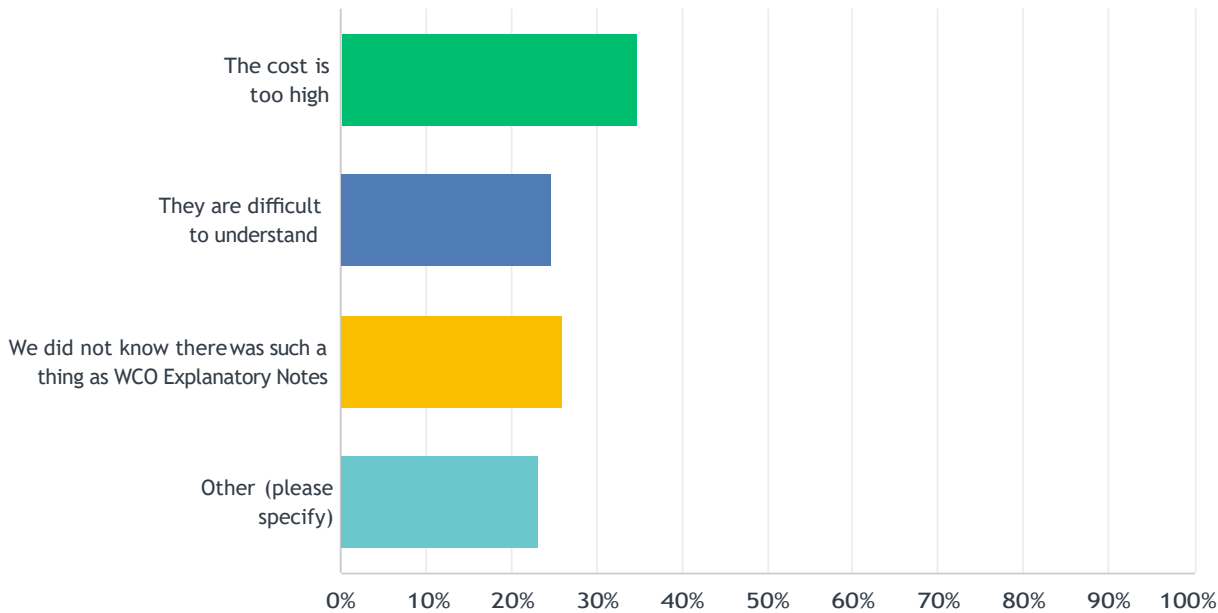
#	OTHER (PLEASE SPECIFY)
1	Before issuing the act of tariff classification, the matter is discussed in the competent committee, which includes customs experts from all Member States, who take into account the views of producers and traders.
2	Basic Notification 7-18 (6) of the Customs Act stipulates the rules. In principle, the information shall be open to the public and made available to the public, including importers, through the Customs website, etc. However, in cases where the following requirements apply, and where the inquirer requests that the information not be disclosed within a certain period (not exceeding 180 days), the information shall be disclosed after the period pertaining to such request. However, regarding the parts that are considered to fall under the non-disclosure information stipulated in the Law Concerning Access to Information Held by Administrative Organs or the parts that are in violation of confidentiality obligations, such parts shall be withheld from the public. (a)-(f) Omitted
3	NA
4	Only if importer requests are identifying information redacted
5	一定期間は非公開にすることができる
6	公開期間3年
7	After 180days
8	Information of rulings are limited
9	わからない
10	If the party to whom the ruling was issued refuse to be made public, it can be allowed for six months by our Customs.

### Q13 Have you purchased the WCO Explanatory Notes?



ANSWER CHOICES	RESPONSES
Yes	60.49%
No	39.51%

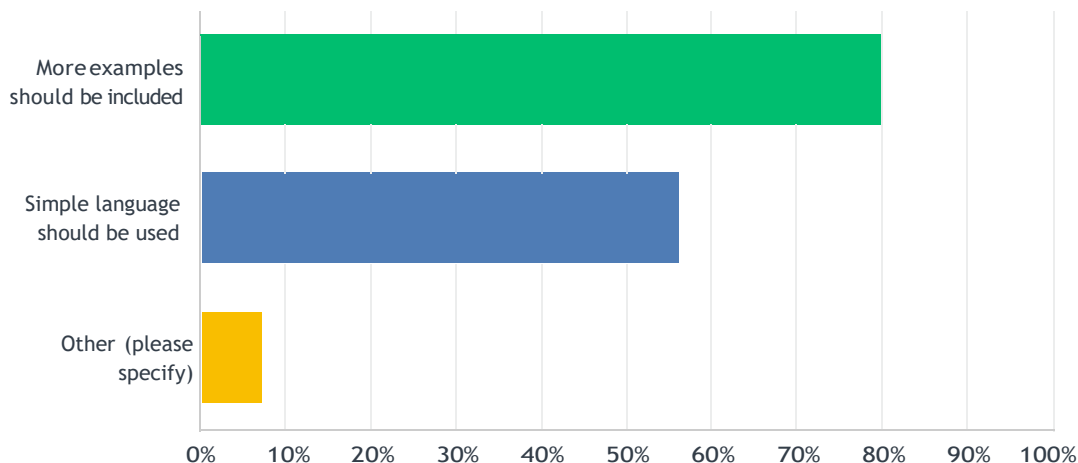
### Q14 If you have not purchased the WCO Explanatory Notes, why not? Select all that apply.



ANSWER CHOICES	RESPONSES
The cost is too high	34.78%
They are difficult to understand	24.64%
We did not know there was such a thing as WCO Explanatory Notes	26.09%
Other (please specify)	23.19%

#	OTHER (PLEASE SPECIFY)
1	The European Commission issues and publishes in the Official Journal of the EU, Combined Nomenclature Explanatory Notes, based on the WCO Explanatory Notes.
2	Accurate and sufficient information on the classification of goods must be provided to HS users for their better understanding. We believe that access to the latest original text (the original WCO commentary) at any time, free of charge, would contribute to the proper use of the HS.
3	Purchases issued by the Japan Tariff Association.
4	THE PROCESS TO PURCHASE
5	available online for free
6	日本関税協会発行の解説はある。また、税関HPから確認ができる。
7	税関のHPで見れるから。
8	It has been published.
9	There are no Japanese version
10	It's enough for us to purchase Japanese customs explanatory notes.
11	WEB上の関税率表解説をダウンロードして活用
12	Published free of charge by Japan Customs.
13	by customs HP
14	language
15	There is the explanatory notes in japanese issued by the customs authorities on the web. its free
16	We can check it by another method

### Q15 If you have purchased the WCO Explanatory Notes, how might they be improved? Select all that apply.

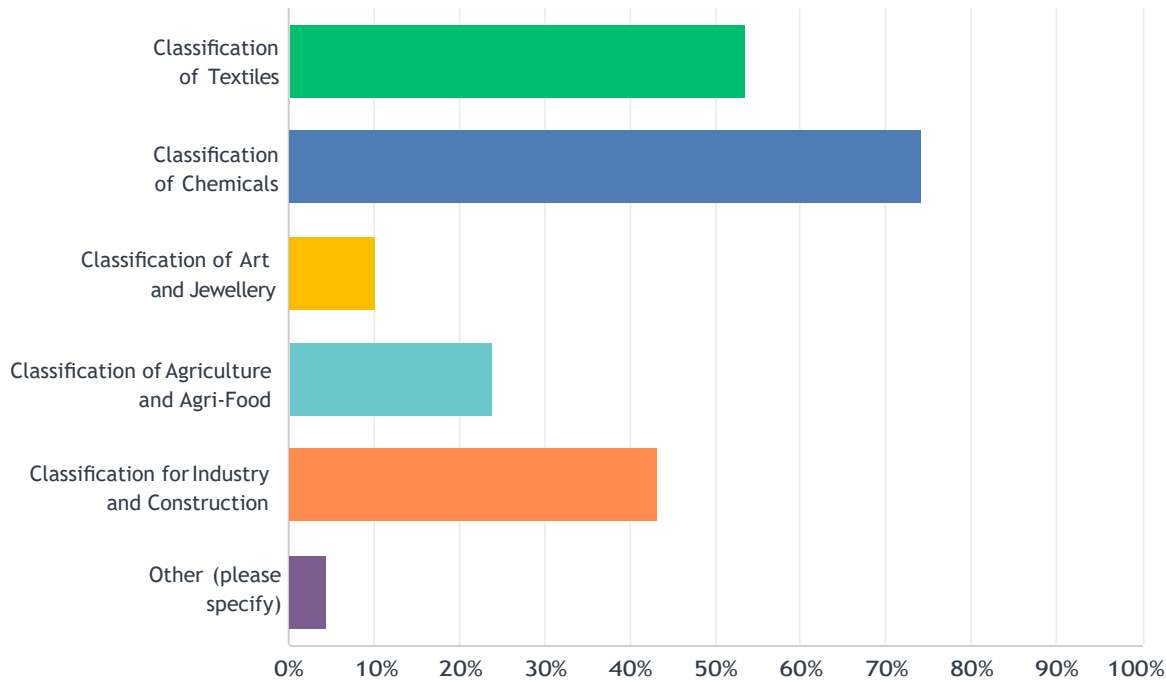


ANSWER CHOICES	RESPONSES
More examples should be included	80.00%
Simple language should be used	56.00%
Other (please specify)	7.20%

#	OTHER (PLEASE SPECIFY)
1	Same as 8 above.
2	N/A
3	N/A
4	NA
5	Translations should be updated.Many words are too old to understand easily.
6	EXAMPLES WITH PHOTOGRAPH
7	Published advance rulingswill also be noted.
8	I haven't purchased the WCO Explanatory Notes
9	原則に対する例外の例外などがあり解釈が難しいことがある



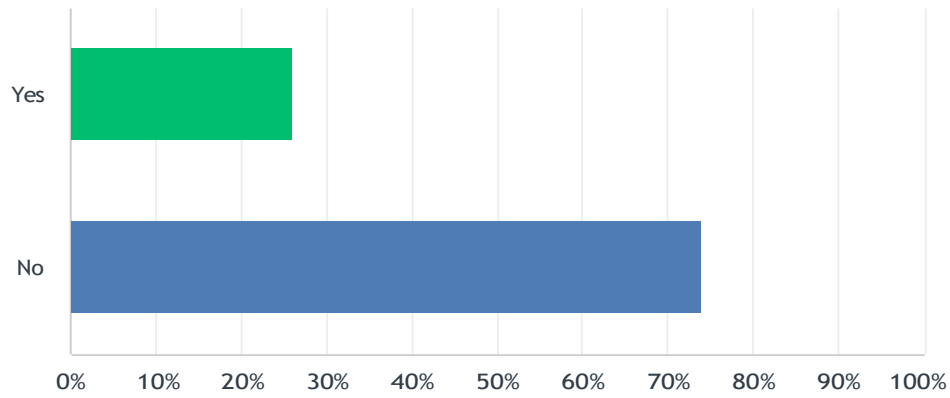
**Q16 The IFCBA, in partnership with the WCO Knowledge Academy, may be offering online courses in HS classification. Which of the following would interest you? Select all that apply.**



ANSWER CHOICES	RESPONSES
Classification of Textiles	53.55%
Classification of Chemicals	74.19%
Classification of Art and Jewellery	10.32%
Classification of Agriculture and Agri-Food	23.87%
Classification for Industry and Construction	43.23%
Other (please specify)	4.52%

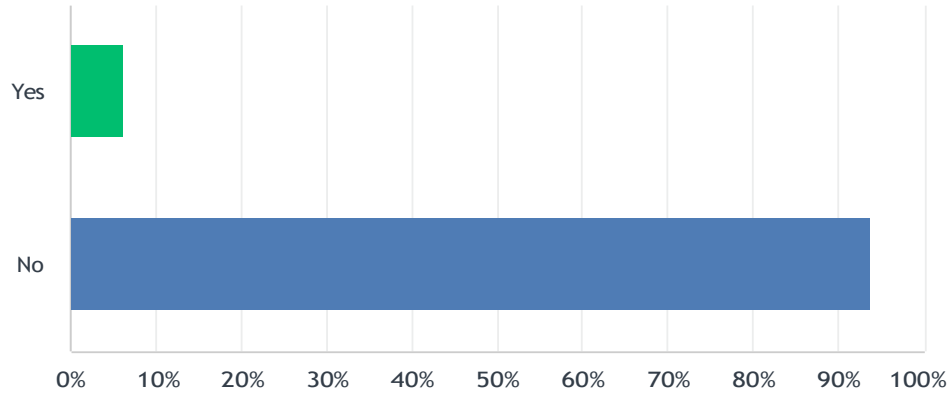
#	OTHER (PLEASE SPECIFY)
1	1) Suggest to add option: "Electronics and electrical appliances (mainly including integrated circuits, semiconductor technology, etc.)" 2) Suggest to add: if there is a corresponding translation course, are you interested?
2	preparations of fish of crustaceans other aquatic invertebrates
3	Medical devices
4	not interesting
5	Classification of Furniture, especially chair
6	FOOD
7	Classification of Wood and articles of wood

### Q17 Does your country allow the importation of any class of merchandise to be made without the declaration of the applicable HS?



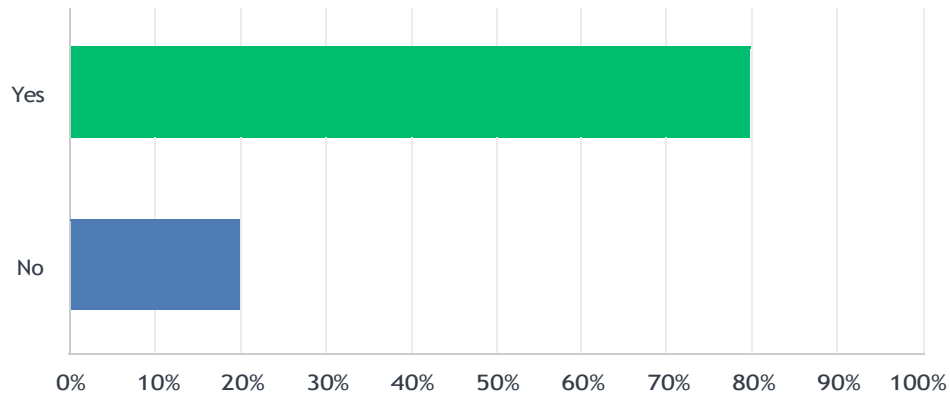
ANSWER CHOICES	RESPONSES
Yes	26.03%
No	73.97%

### Q18 Does your country have any plans to reduce reliance on the HS?



ANSWER CHOICES	RESPONSES
Yes	6.21%
No	93.79%

### Q19 Do other government agencies in your country rely upon the HS information provided in entry declarations?



ANSWER CHOICES	RESPONSES
Yes	80.27%
No	19.73%