



MASTER CUSTOMS SPECIALIST (MCS) COURSE

Part 1: Classification | Module 3: General Rules of Interpretation (GRIs)

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INTRODUCTION

- The General Rules of Interpretation, which can be found within the Harmonized Tariff Schedule of the United States, are a very important part of determining the correct classification for goods.
- They are the principles by which classification is determined.

Lesson 1: General Rule 1

1. “The table of contents, alphabetical index, and titles of sections, chapters, and sub-chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative section or chapter notes and, provided such headings or notes do not otherwise require, according to the following provisions:”
- Virtually all goods are classified by application of GRI 1, that is, according to the terms of the headings of the tariff schedule and any relevant section or chapter notes.
 - In the event that the goods cannot be classified solely on the basis of GRI 1, and if the headings and legal notes do not otherwise require, the remaining GRIs may be applied, taken in order.

For example, if we are attempting to classify a **German Shepherd dog**, we should first look at the headings provided and determine to which heading our item belongs. It may make sense to begin by looking at the Section titles and ruling out any that aren't applicable if it isn't apparent to which heading our item belongs:



- **Section I:** Live Animals; Animal Products
- **Section II:** Vegetable Products
- **Section III:** Animal or Vegetable Fats and Oils and Their Cleavage Products, Prepared Edible Fats; Animal or Vegetable Waxes
- **Section IV:** Prepared Foodstuffs; Beverages, Spirits, and Vinegar; Tobacco and Manufactured Tobacco Substitutes
- **Section V:** Mineral Products
- **Section VI:** Products of the Chemical or Allied Industries
- **Section VII:** Plastics and Articles Thereof Rubber and Articles Thereof
- **Section VIII:** Raw Hides and Skins, Leather, Furskins and Articles Thereof; Saddlery and Harness; Travel Goods, Handbags and Similar Containers; Articles of Animal Gut (Other Than Silkworm Gut)
- **Section IX:** Wood and Articles of Wood; Wood Charcoal; Cork and Articles of Cork; Manufacturers of Straw, of Esparto or of Other Plaiting Materials; Basketware and Wickerwork
- **Section X:** Pulp of Wood or of Other Fibrous Cellulosic Material; Waste and Scrap of Paper or Paperboard; Paper and Paperboard and Articles Thereof
- **Section XI:** Textile and Textile Articles
- **Section XII:** Footwear, Headgear, Umbrellas, Sun Umbrellas, Walking Sticks, Seatsticks, Whips, Riding-Crops and Parts Thereof; Prepared Feathers and Articles Made Therewith; Artificial Flowers; Articles of Human Hair
- **Section XIII:** Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials; Ceramic Products; Glass and Glassware
- **Section XIV:** Natural or Cultured Pearls, Precious or Semiprecious Stones, Precious Metals, Metals Clad With Precious Metal, and Articles Thereof; Imitation Jewelry; Coin
- **Section XV:** Base Metals and Articles of Base Metal
- **Section XVI:** Machinery and Mechanical Appliances; Electrical Equipment; Parts Thereof, Sound Recorders and Reproducers, Television Image and Sound Recorders and Reproducers, and Parts and Accessories of Such Articles
- **Section XVII:** Vehicles, Aircraft, Vessels and Associated Transport Equipment
- **Section XVIII:** Optical, Photographic, Cinematographic, Measuring, Checking, Precision, Medical or Surgical Instruments and Apparatus; Clocks and Watches; Musical Instruments; Parts and Accessories Thereof
- **Section XIX:** Arms and Ammunition; Parts and Accessories Thereof
- **Section XX:** Miscellaneous Manufactured Articles
- **Section XXI:** Works of Art, Collectors' Pieces and Antiques
- **Section XXII:** Special Classification Provisions; Temporary Legislation; Temporary Modifications Proclaimed pursuant to Trade Agreements Legislation; Additional Import Restrictions Proclaimed Pursuant to Section 22 of the Agricultural Adjustment Act, as amended



With our **German Shepherd dog** in mind, it should be pretty apparent that he fits into Section I: Live Animals; Animal Products, but we'll need to check the section notes just to make sure:

SECTION I

LIVE ANIMALS; ANIMAL PRODUCTS

I-1

Notes

1. Any reference in this section to a particular genus or species of an animal, except where the context otherwise requires, includes a reference to the young of that genus or species.
2. Except where the context otherwise requires, throughout the tariff schedule any reference to "dried" products also covers products which have been dehydrated, evaporated or freeze-dried.

It doesn't look like there's anything in the notes in this case that prevents our **German Shepherd dog** from belonging in Section I.

Next, we'll look at the chapters within this section:

- **Chapter 1:** Live animals
- **Chapter 2:** Meat and edible meat offal
- **Chapter 3:** Fish and crustaceans, molluscs and other aquatic invertebrates
- **Chapter 4:** Dairy produce, birds eggs; natural honey; edible products of animal origin, not elsewhere specified or included
- **Chapter 5:** Products of animal origin, not elsewhere specified or included

Again, keeping our **German Shepherd dog** in mind, he clearly fits into Chapter 1: Live animals, but again, we'll need to check the chapter notes just to make sure:



LIVE ANIMALS

I
1-1

Note

1. This chapter covers all live animals except:
 - (a) Fish and crustaceans, molluscs and other aquatic invertebrates, of heading 0301, 0306, 0307 or 0308;
 - (b) Cultures of microorganisms and other products of heading 3002; and
 - (c) Animals of heading 9508.

Additional U.S. Notes

1. The expression "purebred breeding animals" covers only animals certified to the U.S. Customs Service by the Department of Agriculture as being purebred of a recognized breed and duly registered in a book of record recognized by the Secretary of Agriculture for that breed, imported specially for breeding purposes, whether intended to be used by the importer himself or for sale for such purposes. 1/
2. Certain special provisions applying to live animals are in chapter 98.

Since our **German Shepherd dog** is not a fish, crustacean, mollusk or other aquatic invertebrate, or a culture of microorganisms, he passes the test for Note 1a and 1b. We'll need to look at heading 9508 to make sure he passes Note 1c, however.

9508	Merry-go-rounds, boat-swings, shooting galleries and other fairground amusements; traveling circuses and traveling menageries; traveling theaters; parts and accessories thereof:
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Since our **German Shepherd dog** is intended to be a family pet and not part of a traveling circus, there is nothing currently preventing him from belonging in Chapter 1.

The next step is to review the chapter headings:

- 0101 – Live horses, asses, mules and hinnies
- 0102 – Live bovine animals
- 0103 – Live swine
- 0104 – Live sheep and goats
- 0105 – Live poultry of the following kinds: Chickens, ducks, geese, turkeys and guineas
- 0106 – Other live animals



Our **German Shepherd dog** definitely does not fit into any of the first five categories, so he belongs in 0106 – Other live animals.

Next, we look at the subheadings. Here are our choices:

- Mammals (0106.11 – 0106.19)
- Reptiles (0106.20)
- Birds (0106.31 – 0106.39)
- Insects (0106.41 – 0106.49)
- Other (0106.90)

Our **German Shepherd dog** is a mammal, so he fits somewhere into the 0106.11 – 0106.19 subheading.

The final step is to completely narrow down the classification to the statistical suffix level.

We see that our **German Shepherd dog** fits into the “Other” category and then into “Other” again because he is not a fox. Finally, we see the “Dogs” category and know that we’ve come to the right place.

This means that our final classification for our **German Shepherd dog** is **0106.19.9120**.

Heading/ Subheading	Stat. Suf- fix	Article Description
0106		Other live animals:
		Mammals:
0106.11.00	00	Primates.....
0106.12.01	00	Whales, dolphins and porpoises (mammals of the order Cetacea); manatees and dugongs (mammals of the order Sirenia); seals, sea lions and walruses (mammals of the suborder Pinnipedia).....
0106.13.00	00	Camels and other camelids (Camelidae).....
0106.14.00	00	Rabbits and hares.....
0106.19		Other:
0106.19.30	00	Foxes.....
0106.19.91		Other.....
	20	Dogs.....
	95	Other.....



Next, let's consider a **glass Christmas ornament**.

With our section titles in mind, we can reasonably narrow our choices down to:

- Section XIII: Articles of Stone, Plaster, Cement, Asbestos, Mica or Similar Materials; Ceramic Products; **Glass and Glassware**
- Section XX: Miscellaneous Manufactured Articles
- Section XXI: Works of Art, Collectors' Pieces and Antiques

The next step is to review the section notes for these sections, but on further review, none of these sections have any chapter notes.

The next step is to review the Chapter titles within the sections.

- **Section XIII includes:**
 - **Chapter 68:** Articles of stone, plaster, cement, asbestos, mica or similar materials
 - **Chapter 69:** Ceramic products
 - **Chapter 70:** Glass and glassware
- **Section XX includes:**
 - **Chapter 94:** Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated sign illuminated nameplates and the like; prefabricated buildings
 - **Chapter 95:** Toys, games and sports requisites; parts and accessories thereof
 - **Chapter 96:** Miscellaneous manufactured articles
- **Section XXI includes:**
 - **Chapter 97:** Works of art, collectors' pieces and antiques

We can easily narrow down our **glass Christmas ornament** to just a few chapters now:

- **Chapter 70:** Glass and glassware
- **Chapter 96:** Miscellaneous manufactured articles
- **Chapter 97:** Works of art, collectors' pieces and antiques

Our next step is to review the chapter notes for these chapters to see if they help us at all or prevent our item from being included.

- Chapter 70 Note 1(f) points us in the right direction: "Toys, games, sports equipment, **Christmas tree ornaments or other articles of chapter 95** (excluding glass eyes without mechanisms for dolls or for other articles of chapter 95)"

Now we know that our **glass Christmas ornament** belongs in chapter 95! This is a good example of when ruling down your chapter headings doesn't always work.



Now we go back to Chapter 95: Toys, games and sports requisites; parts and accessories thereof. It doesn't seem like Christmas ornaments would fit here, but the chapter notes for Chapter 70 pointed us in this direction, so we should definitely explore it further.

First, we'll need to check the chapter notes. There's nothing in the notes for Chapter 95 that refers to **glass Christmas ornaments**, so we move on.

Now, let's look at the headings in Chapter 95:

- **9503:** Tricycles, scooters, pedal cards and similar wheeled toys; dolls' carriages; dolls, other toys; reduced-scale ("scale") models and similar recreational models, working or not; puzzles of all kinds; parts and accessories thereof
- **9504:** Video game consoles and machines, articles for arcade, table or parlor games, including pinball machines, bagatelle, billiards and special tables for casino games; automatic bowling alley equipment; parts and accessories thereof
- **9505:** Festive, carnival or other entertainment articles, including magic tricks and practical joke articles; parts and accessories thereof
- **9506:** Articles and equipment for general physical exercise, gymnastics, athletics, other sports (including table-tennis) or outdoor games, not specified or included elsewhere in this chapter; swimming pool and wading pools; parts and accessories thereof
- **9507:** Fishing rods, fish hooks and other line fishing tackle; fish landing nets, butterfly nets and similar nets; decoy "birds" (other than those of heading 9208 or 9705) and similar hunting or shooting equipment; parts and accessories thereof
- **9508:** Merry-go-rounds, boat-swings, shooting galleries and other fairground amusements; traveling circuses and traveling menageries; traveling theaters; parts and accessories thereof

Our **glass Christmas ornament** lands in 9505 as a "festive article."

We can see that our **glass Christmas ornament** would be properly classified under **9505.10.1000**.

Heading/ Subheading	Stat. Suf- fix	Article Description
9505		Festive, carnival or other entertainment articles, including magic tricks and practical joke articles; parts and accessories thereof:
9505.10		Articles for Christmas festivities and parts and accessories thereof:
9505.10.10	00	Christmas ornaments:
		Of glass.....
		Other:
9505.10.15	00	Of wood.....
9505.10.25	00	Other.....



Although we have properly demonstrated how to classify a **glass Christmas ornament** using GRI 1, most professionals would instead perform a binding ruling search for this item in CROSS first at <https://rulings.cbp.gov/home>.

There are multiple rulings for “glass Christmas ornament” that come up. When you click on each blue ruling number, the full text of the ruling will come up, allowing you to review it.

Be careful to fully examine the ruling and to still carefully review the suggested classification.

The screenshot displays the CBP CROSS interface. The header includes the U.S. Department of Homeland Security logo and the text "U.S. Customs and Border Protection Securing America's Borders". Below this is the "CUSTOMS RULINGS ONLINE SEARCH SYSTEM (CROSS)" title bar with "Home" and "Help" links. The search bar contains the text "glass Christmas ornament". The results are sorted by "Relevance" and show 1 - 30 of 191 items. The table below lists the first four results.

DATE	RULING CATEGORY TARIFF NO	RULING REFERENCE	RELATED
3/6/1998	NY C84022 Classification 9505.10.2500 9505.10.1000	The tariff classification of Christmas ornaments from China.	
8/6/2002	NY I84204 Classification 9505.10.1000	The tariff classification of a Christmas tree ornament from China.	
5/11/2007	NY N010927 Classification 9505.10.1000	The tariff classification of Princess Heritage Red Keepsake Ornament (#6231 and #6604) and Princess Heritage Gold Lustre Ornament (#6218) from China	
6/4/1998	NY C86848 Classification 9505.10.1000	The tariff classification of spun glass hanging Christmas ornaments from China.	

Lesson 2: General Rule 2

- 2 (a) Any reference in a heading to an article shall be taken to include a reference to that article, incomplete or unfinished, provided that, as entered, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also include a reference to that article complete or finished (or failing to be classified as complete or finished by virtue of this rule), entered unassembled or disassembled.



(b) Any reference in a heading to a material or substance shall be taken to include a reference to mixtures or combinations of that material or substance with other materials or substances. Any reference to goods of a given material or substance shall be taken to include a reference to goods consisting wholly or partly of such material or substance. The classification of goods consisting of more than one material or substance shall be according to the principles of rule 3.

General Rule 2(a)

This GRI addresses products that are not a complete, finished product at time of entry, but are short of being complete in two possible ways.

1. The product could be incomplete or unfinished.
 - In other words, the product is missing some components or a finishing element at the time of import
 - Must have the essential character of the finished good (see 3a)
2. The product could be unassembled or disassembled
 - The product has all the pieces for the finished good. It was either never assembled or disassembled for shipment.

In either of these two scenarios, the product should be classified as if it were the finished good.

General Rule 2(a) Examples:

- A plastic bottle that will undergo an additional process to add threading to the neck is considered an incomplete article.
- A dresser imported without paint or stain is considered an unfinished article.
- An unassembled bicycle with all parts necessary to assemble it after purchase.
- A disassembled helicopter with associated equipment necessary for its safe use and maintenance when imported together. (U.S. Binding Ruling HQ H179635)

General Rule 2(b)

The purpose of this GRI is to extend any heading that refers to a specific material to include that material when mixed with something else. It is also designed to extend headings that refer to goods or products to include those products mixed with something else.

The broadness of this rule keeps the HTS from being unnecessarily large, but also requires diligence.

Always check Section Notes, Chapter Notes and Heading Descriptions for exclusions to this rule.

- Example: Heading 1503 – Description specifically excludes lard oil that is mixed



Lesson 3: General Rule 3

3. “When, by application of rule 2(b) or for any other reason, goods are, prima facie, classifiable under two or more headings, classification shall be effected as follows:”
 - (a) “The heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.”
 - (b) “Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to 3(a), shall be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable.”
 - (c) “When goods cannot be classified by reference to 3(a) or 3(b), they shall be classified under the heading which occurs last in numerical order among those with equally merit consideration.”

General Rule 3(a)

GRI 3(a) is the rule of “relative specificity”. It states that the heading which provides the most specific description should be preferred to headings providing a more general description. However, when two or more headings refer to only one part of an item that is made up of several parts, those headings are to be regarded as equally specific in relation to the item, even if one of them gives a more complete or precise description of the item. In this case, you need to move on to GRI 3(b).

GRI 3(a) Example

- HQ H275175 (Sep. 4, 2017)
- Upright Mickey Mouse Halloween “greeter”
- Toy of 9503 or Festive Article of 9505
- *Toys*
 - Entertain and encourage play
 - No utilitarian function
- *Festive Articles*
 - Decorative
 - Related to a holiday or festivity
- Which of the two headings is broader?
- Which is “harder to satisfy”?
- Here, CBP find “toys” to be more specific and classifies this product in heading 9503.





General Rule 3(b)

GRI 3(b) states that items that are made up of several parts which cannot be classified using GRI 3(a) are to be classified as if they only consist of the part that gives the complete item its ***essential character***.

Explanatory Note for GRI 3(b) VIII provides the following guidance.

- “the factor which determines essential character will vary as between different kinds of goods”

Essential Character depends on the good; nature of the material or component; its bulk, quantity, weight or value; and its role in relation to the use of the goods.

Always include the EN and analysis in any essential character determination.

Consider a Module Assembly used in a Boost Monitoring System for Vehicles.

Description:

- This item is a composite good that consists of a steel bracket, an aluminum boost module and a silicon hose assembly. The bracket is bolted to the top of the engine’s manifold and connects to the boost module and the hose assembly.
- The boost module is used to attach a sensor and is assembled to a connector that attaches to both sides of the hose assembly. The silicon hose assembly serves as an air pathway for the sensor.

Which do you think provides the essential character? In this case, it is the boost module. It is the essential element in the assembly that provides the primary function.

General Rule 3(c)

Retail Sets must be suitable for Direct Sale

- Not required to be sold at “retail”
- Must be suitable for “ultimate consumer” to receive without repackaging

Examples Specifically Listed in the Explanatory Notes (EN) of the HTS:

- Sandwich made of beef, a bun, with potato chips in a package together (yes)
- Uncooked spaghetti, grated cheese, small can of tomato paste in a package together (yes)
- Package including spirits (e.g. vodka) and wines (no)

GRI 3(c) states that when goods cannot be classified using 3(a) or 3(b), they are to be classified in the heading that occurs last in numerical order among the competing headings.



Example: Consider a tote bag made of 50% cotton (Heading 4202) and 50% paper straw (Heading 4602). Neither provides essential character, so the correct heading is 4602 as it is last in numerical order.

Lesson 4: General Rule 4

“Goods which cannot be classified in accordance with the above rules shall be classified under the heading appropriate to the goods to which they are the most akin.”



Example: The Aperella

- NY N291479 (Nov. 20, 2017)
- It's not an umbrella...
- ...but it kind of is. So it's classified as an umbrella.

Lesson 5: General Rule 5

5. “In addition to the foregoing provisions, the following rules shall apply in respect of the goods referred to therein:”
 - (a) “Camera cases, musical instrument cases, gun cases, drawing instrument cases, necklace cases and similar containers, specially shaped or fitted to contain a specific article or set of articles, suitable for long-term use and entered with the articles for which they are intended, shall be classified with such articles when of a kind normally sold therewith. This rule does not, however, apply to containers which give the whole its essential character;”
 - (b) “Subject to the provisions of the rule 5(a) above, packing materials and packing containers entered with the goods therein shall be classified with the goods if they are of a kind normally used for packing such goods. However, this provision is not binding when such packing materials or packing containers are clearly suitable for repetitive use.”



GRI 5(a) Cases for Long Term Storage

Interpretation:

- This rule only applies to containers which meet the following criteria:
- Are specially shaped or fitted to contain a specific article or set of articles.
 - May be shaped like the article(s) they contain.
- Are suitable for long-term use
 - They are durable like the products they contain.
 - They protect the article when not being used. For example, during transport or storage.
- Are imported with the articles for which they are intended. The product and container can be packed separately for transport.
 - Note: If the container is imported by itself, it is classified as the container.
- Normally sold with the product
- Does not provide the essential character to the whole article.

GRI 5(b) Packaging Material

It is understood that products must be packaged for safe transport. For example, drinking glasses aren't going to be thrown into a container loose. They would never arrive intact.

This type of packaging material should be classified with the product it contains and any value included. There will not be a separate line on the 7501 for these packaging materials.

Packaging material examples –

- Cardboard boxes (internal and external) containing products
- Bubble wrap, tissue paper or Styrofoam to hold product safely in place inside external packaging

The key is that it is normal packing material for the product and not generally reused.

Lesson 6: General Rule 6

6. "For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related subheading notes and, mutatis mutandis, to the above rules, on the understanding that only subheadings at the same level are comparable. For the purposes of this rule, the relative section, chapter and subchapter notes also apply, unless the context otherwise requires."

GRI 6 provides the mechanism for determining the classification of goods under the subheadings of a heading. Classification is determined by the terms of the subheadings and any related subheading notes and mutatis mutandis (which translates from Latin as "things having been changes that have to be changed"), by GRI 1-5, on the condition that only subheadings at the same level are comparable.