

### HTS Codes vs HS Codes: What's the difference and how-to find yours

As of February 2025, all shipments with a Country of Origin of China or Hong Kong that are destined for the U.S. must include an HTS code for border clearance.

HS Codes are different from HTS Codes. The **Harmonized System** (HS) is an internationally recognized system for categorizing goods.

The **Harmonized Tariff Schedule** (HTS) is specific to goods being **imported into the U.S.** and it extends the HS Code to a more detailed 10-digit level. The first 6 digits of an HTS code are identical to the corresponding HS code.

HS Codes	HTS Codes
Overseas military addresses     (APO/DPO/FPO)     U.S. territories (e.g. Guam, Puerto Rico, etc.) and     USPS International postage	<ul> <li>U.S. bound shipments with a Country of Origin of China or Hong Kong.</li> <li>U.S. bound shipments with a Country of Origin of Canada or Mexico*</li> <li>*Once tariffs are implemented (expected early April)</li> </ul>
6+ digits for each item in your shipment	10 digits for each item in your shipment.

#### **Tools to find HS and HTS Codes**

- <u>Chit Chats HTS Lookup Tool</u> (Recommended)
  - This tool should be used in conjunction with the <u>official U.S. HTS resource in order</u> to confirm the accuracy of the provided code
- Harmonized Tariff Schedule (HTS) Code (U.S. International Trade Commission)
- <u>CROSS</u> (Customs Rulings Online Search System (https://rulings.cbp.gov/)
- <u>Tariff Finder</u> (Canadian resource for HTS and HS codes)
  - You may need to expand the subheader in order to see the 10 digit HTS code.
- <u>Canada Post Find a Harmonized System Code</u> (HS and HTS codes)
  - You will have to add the country of origin in order to find the HTS code after obtaining the HS code.
- For more information: Chit Chats live updates on tariffs, Chit Chats article on HTS codes



**Note:** During the webinar, it was stated that shipments originating from Canada would be subject to the HTS General Rate of Duty; this is only applicable to items that do not have 'S' in the Special Rate of Duty Column.





## **Un-complicating Country of Origin**

The information provided in this pdf is for general informational purposes only.

Chit Chats does not provide any kind of professional advice for how to determine the Country of Origin for your goods crossing the U.S border. Before taking any actions based upon this information, we encourage you to consult with the appropriate professionals. Any reliance you place on the information provided by Chit Chats is strictly at your own risk.

Country of Origin (COO) refers to where a product was manufactured or produced. It is important for determining tariffs—different countries have different tariff rates.

According to the U.S. International Trade Administration (ITA):

"When a good does NOT come entirely from a single country, the internationally recognized legal principle of substantial transformation is used to determine the origin of the good."

Substantial Transformation may be in the form of:

- Physical Features and/or
- The Value of the Goods

See <u>ITA's article on Rules of Origin</u>, which includes examples.

According to the U.S. Customs and Border Protection (CBP):

"Every article of foreign origin entering the United States must be legibly marked with the English name of the country of origin unless an exception from marking is provided for in the law."

See CBP's article on correctly Marking of Country of Origin.

Correctly determining and marking the COO of your goods crossing the U.S is critical. Incorrectly declaring COO can lead to potential:

- 1. Fines of up to \$50,000 USD by U.S. Customs and Border Protection and/or
- 2. Bans from shipping across the U.S. border.

We recommend that clients:

- Review where/how your product were made against information provided by ITA and CBP (links above).
- Ensure the COO is correctly declared for **each item** in every shipment.
- Be prepared to provide **proof** of COO if requested (via commercial invoices self-certifications and pro formas).
- Contact CBP directly if you aren't sure or seek professional or legal advice.
- For more information: Chit Chats article on Country of Origin.



# Demystifying Duties, DDU and DDP



Save time with Presets: Country of Origin, HTS codes and more



## Ask Us Anything: U.S. Tariffs & De Minimis changes

https://www.whitehouse.gov/presidential-actions/2025/02/amendment-to-duties-addressing-the-synthetic-opioid-supply-chain-in-the-peoples-republic-of-china/