

# UNDERSTANDING THE HS CHANGES FOR 2022

The Harmonized Tariff Schedule of the United States (HTS) and Harmonized System (HS) in Canada details the tariff rates and statistical categories for imported goods and is based on the International Harmonized System (HS) by the World Customs Organization (WCO). There are approximately 5,000 commodity groups identified by six-digit codes and is used by more than 200 countries and economies to determine customs tariffs and facilitate the collection of trade data. The US Customs and Border Protection (CBP) and the Canada Border Services Agency (CBSA) administers the HTS/HS at their respective ports of entry and additionally provides advice and rulings on classification of imports.

## Updates to the Harmonized System

The HS is amended every five years by the WCO, with the last update taking place in 2017. The HS will be updated and implemented January 1, 2022 to reflect changes to technology, new products and global issues. The change to the HS will result in a total of 351 sets of amendments covering a range of goods and will have an impact on the HTS in the US and HS in Canada.

## Changes to the Harmonized Tariff Schedule for 2022

Due to advancements, environmental and societal issues, amendments have been made to the HS including in these following categories:

### High profile product streams & changing trade patterns

- Electrical and electronic waste, commonly referred to as e-waste
- Novel tobacco and nicotine based products
- Unmanned aerial vehicles (UAVs), commonly referred to as drones
- Smartphones

### Advances in technology

- Glass fibers and articles thereof
- Metal forming machinery

### Multi-purpose intermediate assemblies

- Flat panel display modules

### Health & safety

- Rapid diagnostic kits
- Placebos and clinical trial kits
- Cell cultures and cell therapy products

### Protection of society & fight against terrorism

Dual use items that could be used for unauthorized use

- Radioactive materials

- Biological safety cabinets
- Items required for the construction of improvised explosive devices, such as detonators

### Goods covered under various Conventions, Protocols & Board request

- Specific chemicals controlled under the Chemical Weapons Convention
- Certain hazardous chemicals controlled under the Rotterdam Convention
- Certain persistent organic pollutants controlled under the Stockholm Convention
- Subheadings introduced for the monitoring and control of fentanyl and their derivatives as well as two fentanyl precursors at the request of the International Narcotics Control Board
- New heading introduced for gases controlled under the Kigali Amendment of the Montreal Protocol

## How to Prepare for These Changes

1. Investigate your goods and their HTS/HS classifications to determine if they are in the impacted groups (see Correlation Tables below)
2. Update your parts databases and stay in communication about this with your customs broker
3. Evaluate how these changes could impact your eligibility to qualify for free trade agreements and could be impacted by exclusions (232, 301), flagging etc.

## Resources for More Information

World Customs Organization [Amendments Effective from 1 January 2022](#)

US International Trade Commission [Correlation Tables](#)

Government of Canada [Order Amending the Schedule to the Customs Tariff](#)

## Additional Support

Our team of professionals are available to provide support in preparation for these changes, please reach out to us at [clientsupportca@buckland.com](mailto:clientsupportca@buckland.com)