

FedEx Regulatory News

Regulatory Alert: Harmonized System 2022 Tariff Changes

November 1, 2021

Background information

The World Customs Organization (WCO) is an international body made up of representatives from 183 customs administrations around the world. Every five years the WCO conducts a general review of the Harmonized Commodity Description and Coding System (Harmonized System or HS). The HS is a product nomenclature developed by the WCO that serves as the basis for the tariff schedules of the U.S. and more than 200 countries and economies around the world.

These reviews are designed to keep the HS current in light of new technology, to offer visibility into product streams, and put focus on emerging global issues.

What has changed?

HS 2022, which is the seventh edition of the Harmonized System nomenclature, has been accepted by all Contracting Parties to the Harmonized System Convention. It will become effective on January 1, 2022. With a total of 351 sets of modifications covering a wide variety of products traveling across borders, the new HS 2022 edition introduces significant improvements to the Harmonized System.

Some of the changes made in HS 2022 include new classifications for the following items (not an all-inclusive list):

- 3D printers
- Cell cultures and cell therapy
- Chemicals and materials specifically controlled under international conventions
- Dual-use goods that can be diverted for unauthorized uses such as detonators
- Electronic waste (e-waste)
- Flat panel display modules
- Fully electric heavy-duty vehicles
- Nicotine-based vaping products intended for inhalation without combustion
- Placebos and clinical trial kits for health and medical research
- Rapid diagnostic kits for health and medical research

- Smartphones
- Unmanned Aerial Vehicles (UAVs); commonly referred to as drones

What are the primary impacts of these changes?

Beginning January 1, 2022, all changes made within HS 2022 go into effect.

Importers should review the <u>HS 2022 amendments</u> and the <u>U.S. International Trade</u> <u>Commission's recommendations</u> for conforming HS 2022 to the Harmonized Tariff Schedule of the United States (HTSUS) to determine if any of these changes impact their product classifications.

Additionally, importers should perform a complete product database review to confirm their existing product classifications are valid for when HS 2022 goes into effect.

Contact your FedEx representative for assistance with updating your product database.

References:

Announcement of HS 2022 Effective January 1, 2022

HS 2022 Amendments

U.S. International Trade Commission's Recommended Modification to the 2021 HTSUS

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