

Harmonized Commodity Description and Coding System (HS) of tariff nomenclature

Agenda

- 09:00 Welcome, recap and expectations
- 09:30 Practical HS codes and the South African (SACU) tariff schedules
- 10:00 Process for applying for national level codes / changes
- 10:15 Discussion & Questions
- 10:30 Looking ahead - next session and closure

During training, please keep phone on silent and yourself on mute unless engaging
If you can, please keep your video on – it improves interaction

Session 1: Thu 28 July 9:00am – 11:00am: Introduction and overview

➔ Session 2: Mon 01 Aug 9:00am – 11:00am: Practical HS codes and the South African (SACU) tariff schedules

Session 3: Wed 3 Aug 9:00am – 11:00am: What next? International market selections and strategies for particular HS codes



From data to intelligence

Moving past
the **big data**
challenge...

-  International trade and development advisory support
-  Strategy formulation and policy support
-  Economic impact studies
-  Specialised quantitative analysis and modelling
-  Specialised market research

Innovated by the North-West University

Agenda

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09:30 Practical HS codes and the South African (SACU) tariff schedules

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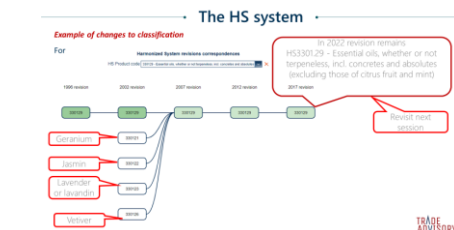
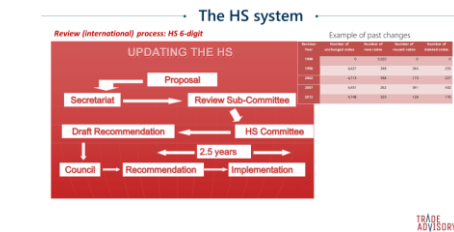
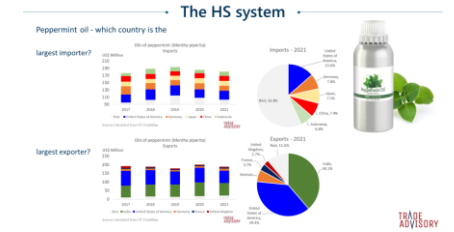
10:15 Discussion & Questions

10:30 Looking ahead - next session and closure

Recap Session 1

Discussed

- what the HS system is,
- where it comes from,
- why it is important,
- international review process (for changes to codes),
- how it impacts definitions and historical trade data availability,
- examples of changes of codes over time,
- what the HS systems is not (shortcomings)
- discussed looking for code (hierarchical & reference (or keyword) methods),
- pointed to some resources (ITC, SARS, examples for countries USA, EU and Australia)
- Questions



- ### Some resources
- Tools to help you find codes
- Generalised International ITC TradeMap (<http://www.trademaps.org/>) - Reference Material / Harmonized System Correspondences
 - South Africa / SACU
 - SARS - Customs & Excise (<https://www.sars.gov.za/customs-and-excise/>) - trade statistics / tariff book
 - Other countries - examples
 - USA - (<https://hs.usitc.gov/>)
 - EU - (https://ec.europa.eu/taxation_customs/dds2/taric/taric_consultation.jsp?lang=en)
 - Australia (<https://www.abf.gov.au/importing-exporting-and-manufacturing/tariff-classification/current-tariff-schedule>)
- TRADE ADVISORY

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Historical context of tariff & schedules

English term tariff derives from the French: tarif, lit. 'set price' which is itself a descendant of the Italian: tariffa, lit. 'mandated price; schedule of taxes and customs' which derives from Medieval Latin: tariffe, lit. 'set price'.



HS Code – some examples

3301.24 (South Africa / SACU)

3301.24.000 (Japan)

3301.24.00.00 (USA)

3301.24.10.00 / **3301.24.90.00** (EU – with / without terpenes)

3301.24.00.00 (USA / EU)

3301.24.00 (Australia exports) **3301.24.00.00 / 09** (Imports – with / without terpenes)

Historical context of tariff & schedules



Also some reference to Spanish town Tarifa,
21 miles from Gibraltar
named after tariff IBAN Malik

The town connected to coast close to Strait of Gibraltar
– extorted a tariff (levied a tribute) in and out of the Strait of Gibraltar



Historical context of tariff & schedules



Tariff in context of Customs

- Denotes a list or schedule of commodities with the particular duties or charges upon each noted.
- Customs denotes all customary tolls or duties paid by merchants upon commodities on their way to and from the markets
- Modern Customs Tariff – a systematic arrangement of customs duties levied on goods when they cross the border of a political unit (sovereign territory)

Purpose

- Revenue – typically relatively low to have goods flowed easily and duties easily collected
- Protection – typically relatively high tariff in order to protect local industries (or e.g. for religious or cultural purposes)
- Bargaining – designed primarily for negotiation versus other nations where higher rates can be imposed of products of a country whose reciprocal tariff rates / policies are unfair / unsatisfactory

South African (SACU) tariff schedules

SARS - <https://www.sars.gov.za/customs-and-excise/>

<https://www.sars.gov.za/customs-and-excise/trade-statistics/>

The screenshot shows the top navigation bar of the SARS website. It includes links for Home, About SARS, Types of Tax, Legal Counsel, Contact Us, Tax Rates, and Tax Season. Below this is a search bar. The SARS logo and 'South African Revenue Service' are prominently displayed. A secondary navigation bar contains links for Individuals, Businesses and Employers, Tax Practitioners, and Customs and Excise.

[Home](#) » [Customs and Excise](#)

Customs and Excise

A grid of menu items for Customs and Excise. The 'Trade Statistics' link is highlighted with a red box and a red arrow pointing to it from the URL above. Other menu items include About Customs, Customs Offices and Contacts, Registration, Licensing and Accreditation, Clearance Declaration, Inspection, Offences, Penalties and Disputes, Travellers, Duties and Taxes, Import, Export and Transit, Excise, eFiling System, Export Duties and Levies, Prohibited, restricted and counterfeit goods, Taxpayer and Trader Education, Advance Import Payments, and Small Businesses – Traders and Travellers.

A sidebar titled 'Table of Contents' with an upward arrow icon. It contains two bullet points: 'Updates on Customs branch, ports, borders;' and 'Customs and Excise Menu'.

Welcome to **Customs & Excise**

SARS's [Customs](#) division plays an integral role in facilitating the movement of goods and people entering or exiting the borders of the Republic. See the [Customs Branch contact details](#) or if you need to escalate beyond branch offices, please email osc@sars.gov.za.

The [Excise](#) division facilitates the levying of duties on certain locally manufactured goods as well as on their imported equivalents.

Updates on Customs branch, ports, borders:

- 15 July 2022 – SADC certificates

As a result of the current industrial action at SARS, we would like to inform you of temporary measures instituted in relation to the authorisation and

South African (SACU) tariff schedules

SARS - <https://www.sars.gov.za/customs-and-excise/>

Home About SARS Types of Tax Legal Counsel Contact Us Tax Rates Tax Season Search...

SARS
South African Revenue Service

Individuals Businesses and Employers Tax Practitioners Customs and Excise

[Home](#) » [Customs and Excise](#) » Trade Statistics

Trade Statistics

Trade Statistics Reports Visualisations Download Data Trade Agreements **Tariff Book**

Explanations and Notes Release Schedule

Table of Contents

- [Exploring South Africa's Merchandise Trade Statistics](#)
- [EXPORTS](#)
- [IMPORTS](#)
- [Related Documents](#)

Exploring South Africa's Merchandise Trade Statistics

SARS is the legislatively empowered controlling entity for statistics on the importation and exportation of goods. Exercising this control entails record-keeping, verification, publication and analysis of trade data:

- Explore South Africa's Merchandise Trade Statistics through interactive visualisations and other content
- Download the relevant data you need
- Browse the latest press release.

Any queries can be directed to tradestatistics@sars.gov.za.

June 2022 overview

EXPORTS	IMPORTS
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Tariff code details

Exporters perspective



As an exporter, you do not need to consider the target market HS Code

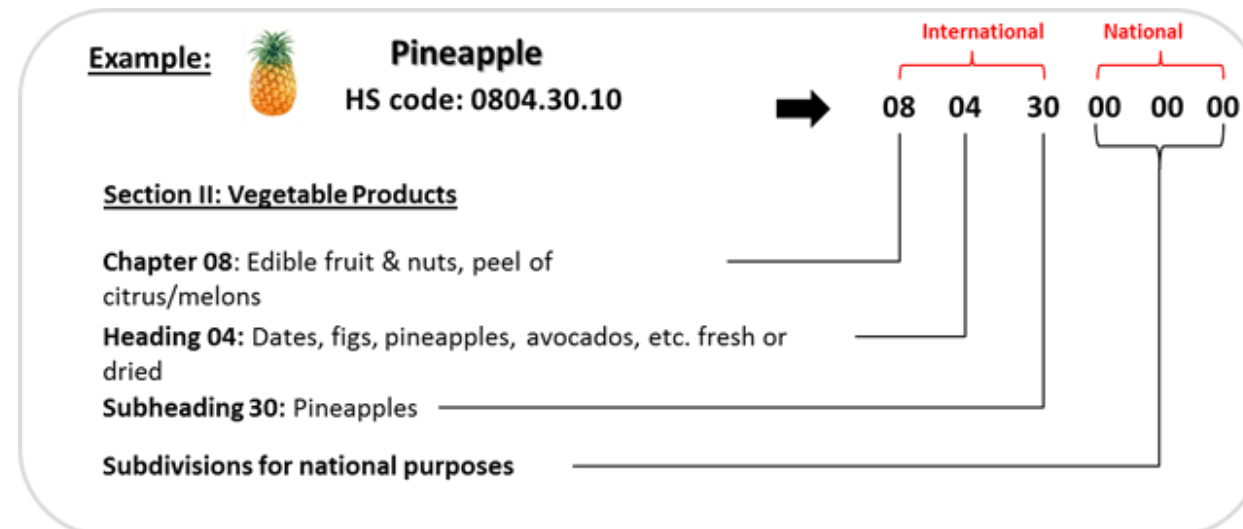
However, you run the risk of:

- Missing a requirement / certification requirement linked to the particular HS code
- Miss-pricing your product when not considering import duties / taxes etc.
- Missing the opportunity to be proactive and 'streamline' sales of your product to overseas clients

Exporter only responsible for declaration from 'home country'



However, importing country may have more nuanced relevant details at the 'national' code level



The HS system

Example of changes to classification

For

Harmonized System revisions correspondences

HS Product code

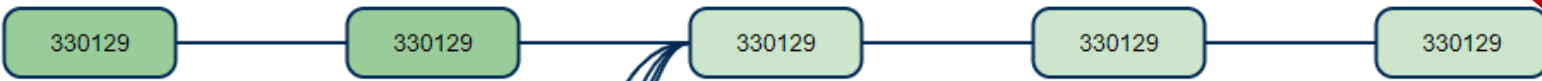
1996 revision

2002 revision

2007 revision

2012 revision

2017 revision



Geranium

330121

Jasmin

330122

Lavender or lavandin

330123

Vetiver

330126

In 2022 revision remains HS3301.29 - Essential oils, whether or not terpeneless, incl. concretes and absolutes (excluding those of citrus fruit and mint)

Revisit next session

SACU example - national level

Example of changes to classification

SACU distinguishes 4 sub-codes at national 8 digit level:

- Geranium
- Jasmin
- Lavender or lavandin
- Other

In 2022 revision remains
HS3301.29 - Essential oils, whether or not
terpeneless, incl. concretes and absolutes
(excluding those of citrus fruit and mint)

Date: 2022-06-17

SCHEDULE 1 / PART 1 / SECTION VI

Customs & Excise Tariff

Heading / Subheading	CD	Article Description	Statistical Unit	Rate of Duty						
				General	EU / UK	EFTA	SADC	MERCOSUR	AfCFTA	
33.01		Essential oils (terpeneless or not), including concretes and absolutes; resinoids; extracted oleoresins; concentrates of essential oils in fats, in fixed oils, in waxes or the like, obtained by enfleurage or maceration; terpene products of the deterpenation of essential oils; aqueous distillates and aqueous solutions of essential oils:								
3301.29		-- Other:								
3301.29.10	8	--- Of geranium	kg	free	free	free	free	free	free	free
3301.29.20	5	--- Of jasmin	kg	free	free	free	free	free	free	free
3301.29.30	2	--- Of lavender or of lavandin	kg	free	free	free	free	free	free	free
3301.29.90	6	--- Other	kg	free	free	free	free	free	free	free
3301.30	8	- Resinoids	kg	free	free	free	free	free	free	free

SACU example - national level

Example of changes to classification

EU distinguishes 7 sub-codes at national 10 digit level:

- Clove etc.
- Rose oil (not deterpenated)
- 'General' excluding rose, citrus etc.
- Geranium
- Lavender or lavandin
- 'Other'

In 2022 revision remains
HS3301.29 - Essential oils, whether or not
terpeneless, incl. concretes and absolutes
(excluding those of citrus fruit and mint)

3301291100 – Terpenic oils of clove, niaouli and ylang-ylang, incl. concretes and absolutes

3301293100 – Terpeneless oils of clove, niaouli and ylang-ylang, incl. concretes and absolutes

3301294200 – Rose oil, not deterpenated, incl. concretes and absolutes

3301294900 – Essential oils, not deterpenated, incl. concretes and absolutes (excl. of rose, citrus fruit, mint, clove, niaouli and ylang-ylang)

3301297100 – Terpeneless oils of geranium, jasmine and vetiver, incl. concretes and absolutes

3301297900 – Terpeneless oils of lavender or of lavandin, incl. concretes and absolutes

3301299100 – Terpeneless essential oils, incl. concretes and absolutes (excl. of citrus fruit, geranium, jasmine, lavender or of lavandin, mint, vetiver, clove, niaouli and ylang-ylang)

The HS system

Example of changes to classification

For

Harmonized System revisions correspondences

HS Product code

1996 revision

2002 revision

2007 revision

2012 revision

2017 revision

In 2022 revision remains
HS3301.19 - Essential oils of citrus fruit,
whether or not terpeeneless, incl. concretes
and absolutes (excluding those of sweet and
bitter orange and lemon)

330119

330119

330119

330119

330119

Bergamot

330111

Lime

330114

Revisit next
session

The HS system

Example of changes to classification

SACU distinguishes 2 sub-codes at national 8 digit level:

- Lime
- Other

In 2022 revision remains
 HS3301.19 - Essential oils of citrus fruit,
 whether or not terpeneless, incl. concretes
 and absolutes (excluding those of sweet and
 bitter orange and lemon)

3301192000 – Terpenic essential oils of citrus fruit, incl. concretes and absolutes (excl. those of seet and bitter orange and lemon)

3301198000 – Terpeneless essential oils of citrus fruit, incl. concretes and absolutes (excl. those of sweet and bitter orange and lemon)

Date: 2022-06-17

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				General	EU / UK	EFTA	SADC	MERCOSUR	AfCFTA	
33.01		Essential oils (terpeneless or not), including concretes and absolutes; resinoids; extracted oleoresins; concentrates of essential oils in fats, in fixed oils, in waxes or the like, obtained by enfleurage or maceration; terpenic by-products of the deterpenation of essential oils; aqueous distillates and aqueous solutions of essential oils:								
3301.19		-- Other:								
3301.19.10	3	--- Of lime	kg	free	free	free	free	free	free	free
3301.19.90	1	--- Other	kg	free	free	free	free	free	free	free

• The HS system •

Example of changes to classification

EU distinguishes 2 sub-codes at national 10 digit level:

- Citrus excluding sweet / bitter orange & lemon
- Terpenic versus Terpeneless

In 2022 revision remains
HS3301.19 - Essential oils of citrus fruit,
whether or not terpeneless, incl.
concretes and absolutes (excluding those
of sweet and bitter orange and lemon)

3301192000 – Terpenic essential oils of citrus fruit, incl. concretes and absolutes (excl. those of seet and bitter orange and lemon)

3301198000 – Terpeneless essential oils of citrus fruit, incl. concretes and absolutes (excl. those of sweet and bitter orange and lemon)

International tariff schedules

ITC Market Access Map - <https://www.macmap.org/>

ITC Market Access Map
Improving transparency in international trade and market access

EN FR ES RU

Home Access Compare Analyse Download **Temporary Measures** About **NEW!** Resources Account

Discover our new page on [UK Economic Partnership Agreements](#) in Resources

Market Access Conditions

Identify customs tariffs, tariff rate quotas, trade remedies, regulatory requirements and preferential regimes applicable to your product.

EXPORTING COUNTRY: ▼

DESTINATION COUNTRY: ▼

PRODUCT: ▼

HS6 NATIONAL TARIFF LINE CODE

SEARCH

Advanced product search



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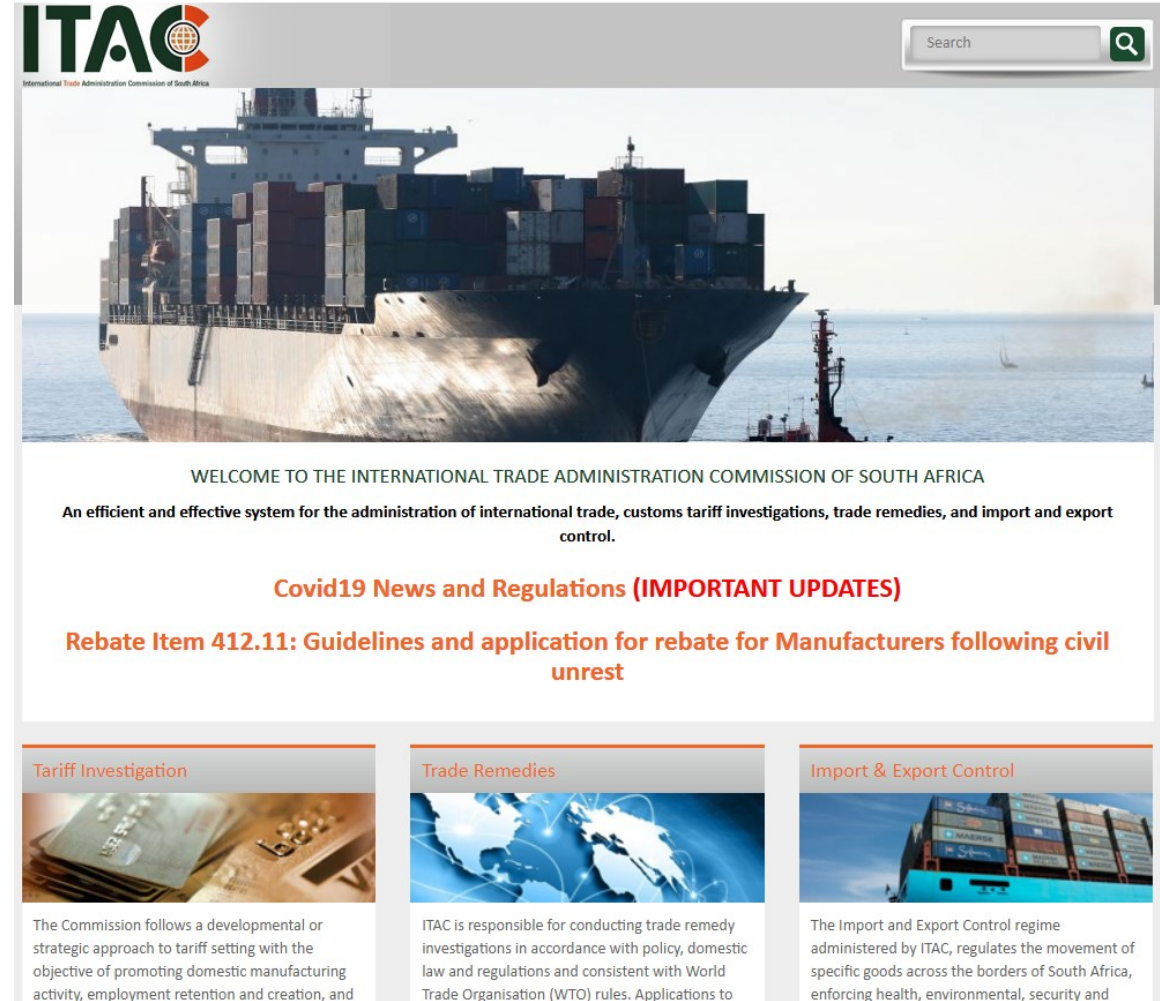
SACU national tariff codes

Process for applying for national level codes / changes

<http://www.itac.org.za/>

Body in South Africa / SACU that administrates tariff codes

Note – SARS ‘executes’, ITAC determines



ITAC
International Trade Administration Commission of South Africa

Search

WELCOME TO THE INTERNATIONAL TRADE ADMINISTRATION COMMISSION OF SOUTH AFRICA
An efficient and effective system for the administration of international trade, customs tariff investigations, trade remedies, and import and export control.

Covid19 News and Regulations (IMPORTANT UPDATES)

Rebate Item 412.11: Guidelines and application for rebate for Manufacturers following civil unrest

Tariff Investigation
The Commission follows a developmental or strategic approach to tariff setting with the objective of promoting domestic manufacturing activity, employment retention and creation, and

Trade Remedies
ITAC is responsible for conducting trade remedy investigations in accordance with policy, domestic law and regulations and consistent with World Trade Organisation (WTO) rules. Applications to

Import & Export Control
The Import and Export Control regime administered by ITAC, regulates the movement of specific goods across the borders of South Africa, enforcing health, environmental, security and

SACU national tariff codes

Process for applying for national level codes / changes

<http://www.itac.org.za/>

Body in South Africa / SACU that administrates tariff codes

Note – SARS ‘executes’, ITAC determines

Typically 2 cycles of tariff book updates per year

- Feb of year and Oct of year
- means submissions need to be compiled and submitted around 3-2 months in advance

Trade Remedies	Tariff Investigations	Import Control	Export Control
Regulations	Regulations	Regulations	Regulations
Investigation Reports	Tariff Amendment Application Forms	Application Forms	Government Gazette Notices
Ministerial Minutes	Guidelines and Questionnaires	Guidelines	Price Preference System
Application Forms	APDP Documents	FAQs	Application Forms
Definitive Duties in Place	Investigation Reports	Import Control Working Arrangements	FAQs
Government Gazette Notices	Government Gazette Notices	Contact Details	Covid19
Upcoming Sunset Reviews	Ministerial Minutes		Export Control Working Arrangements
	APDP Post 2020 Documents		Contact Details
	Steel Industry Guidelines and Questionnaires		
	Rebate Item 412.11		

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Discussion & Questions

Notes / questions

- 1) No specific questions noted. Example from Derrick regarding finding more detailed data e.g. for Eucalyptus. Pointing to 'partner' reporting – investigate the target market information – may contain more information see e.g. USA – (<https://hts.usitc.gov/>)
- 2) Sarah Venter – questions regarding AGOA see www.agoa.info and www.tralac.org

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Next session and closure

Session 3: Wed 3 Aug 9:00am – 11:00am:

What next?

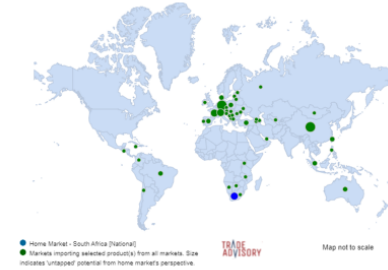
International market selections and strategies for particular HS codes

The HS system

Peppermint oil - which country has the most potential?

45 markets exhibits 'untapped' potential from South Africa's (SACU's) perspective

Note – neither India nor USA included (to be discussed more in session 3)



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ADVISORY

Thank you

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