



Ottawa, May 13, 2014

# Memorandum D10-0-1

## Classification of Parts and Accessories in the *Customs Tariff*

### In Brief

The editing revisions made in this memorandum do not affect or change any of the existing policies or procedures.

This memorandum will serve to assist users of the *Customs Tariff* (Tariff) to determine the proper tariff classification of parts and accessories in accordance with the Harmonized System (HS) principles.

### Legislation

[\*Customs Tariff\*](#)

## Guidelines and General Information

### Definitions

1. For the purpose of administration of the Tariff, subject to relevant legal notes:

“accessory” is defined as “an article which performs a secondary or subordinate role, not essential to the function, which could improve the effectiveness of the host machine, equipment, apparatus or appliance”.

“part” is defined as “an identifiable component of an article, machine, apparatus, equipment, appliance or specific good which is integral to the design and essential to the function of the product in which it is used”.

2. The Tariff includes an integrated, vertically structured, hierarchical system of classification by headings, subheadings and tariff items and statistical subdivisions. All headings and subheadings are governed by the General Rules for the Interpretation of the Harmonized System (GIR) and by the Section and Chapter Notes. These rules make Section and Chapter Notes legally binding on the classification of materials, incomplete or unfinished articles, complete or finished articles and parts and accessories. Section 11 of the Tariff identifies the references that provide interpretive guidance to classification. GIR 6 is applicable in the classification of goods at the subheading level.

### Categories of Parts and Accessories

3. The numerous headings and subheadings in the Tariff for the classification of parts and accessories fall within four distinct categories. Three of these categories apply to both parts and accessories. The other applies to parts alone. These categories are:

- (a) parts or accessories specifically named in a heading or falling within a generic class named in a heading;
- (b) parts of general use, as defined in Section XV, Note 2;
- (c) parts or accessories suitable for use solely or principally with a particular kind of machine or with machines of the same heading; and
- (d) multi-purpose parts and accessories.

4. Since parts and accessories are generally classified according to GIR 1, the heading texts and legal Notes determine their classification. Due consideration shall also be given to GIRs 2 through 6.

### **A – Articles (Parts or Accessories) Specifically Named in a Heading**

5. The classification of an article specifically named in a heading and included in the terms of that specific heading in accordance with a legal Note constitutes an application of GIR 1. Any part or accessory specifically referred to in a heading text, or whose classification in a particular heading is directed by a legal Note, must be classified under that heading and under no other heading in the Tariff. This is true even if the part or accessory might be specially designed or otherwise principally suitable for a particular machine, appliance, instrument, vehicle or any other manufactured product.

6. Three examples illustrate application of Category A. The first two examples concern parts or accessories named in a heading. The third concerns parts or accessories classified according to a Section Note.

(a) Heading 40.11 (New pneumatic tires, of rubber). Rubber tires are never classified as parts of machines of Section XVI or of motor vehicles of Section XVII, despite the fact that tires are not explicitly excluded from these Sections. New rubber tires are always classified in Heading 40.11 simply because they are specifically named in that heading, in accordance with GIR 1.

(b) Heading 84.13 (Pumps for liquids). Parts, such as pumps for liquids, were classified under numerous parts provisions for machinery, precision instruments and motor vehicles in the former Tariff. Under the current Tariff, GIR 1 requires that they be generally classified in heading 84.13 since they are specifically named in that heading and in Note 2(e) of Section XVII and Note 2(a) of Section XVIII.

(c) Heading 73.04 (Tubes, pipes and hollow profiles, seamless, of iron (other than cast iron or steel.)). Drill pipe is excluded from consideration under any parts provisions of the Tariff by virtue of Note 1(h) of Section XVI, which directs that it be classified in heading 73.04. In this case, the legal note emphasizes the precedence of heading 73.04 over any parts provisions of Section XVI in the classification of drill pipe.

### **B – Parts of General Use**

7. Numerous terms in the legal Notes to the HS Nomenclature are set off by quotation marks (in the English text) or by italics (in the French text), such as “light-weight coated paper” and “parts of general use”. They identify defined terms. These definitions are legally binding within the Tariff and therefore must be applied when classifying goods.

8. The HS expression, “parts of general use”, is defined by Section XV, Note 2. Based on the application of GIR 1, the expression must be interpreted to mean the following:

(a) articles of heading No. 73.07, 73.12, 73.15, 73.17 or 73.18 and similar articles of other base metal;

(b) springs and leaves for springs, of base metal, other than clock or watch springs (heading 91.14); and

(c) articles of headings 83.01, 83.02, 83.08 or 83.10 and frames and mirrors, of base metal, of heading 83.06.

9. “Parts of general use” have many applications with respect to goods described in Sections XVI to XX. However, they are specifically excluded from these Sections by legal Notes. It is worth noting that the same goods made of plastics are also excluded from those Sections. Plastic nuts and bolts, for example, are always classified in Chapter 39. Thus the classification of “parts of general use” in their respective headings is another application of GIR 1.

10. Section XV, Note 2 also specifies that the references to “parts of goods” found in Chapters 73 to 76 and 78 to 82 (but not including heading 73.15) do not include goods defined in Section XV Note 2(a), (b) and (c).

11. Subject to Note 1 to Chapter 83, articles of Chapter 82 or 83 are excluded from Chapters 72 to 76 and 78 to 81.

12. All articles (parts) described in paragraphs 7, 8, 9 and 10 above are always classified as “parts of general use”. Classification of such an article within the HS is governed by the legal definition of “Parts of General Use”. It is not affected by the application of the article, its comparative value or its suitability as an integral component of any machine, appliance, instrument, apparatus, vehicle or other manufactured product. Consequently, the articles

specified in paragraphs 7, 8, 9 and 10 above are to be classified in their respective headings, whether or not they are identified by a part number or are specified as parts in service manuals, engineering diagrams or similar references.

13. The classification principle that applies to parts of general use may be summarized as follows:

Articles covered by the HS “parts of general use” provisions do not have to be articles for general use, but simply articles specified in the headings enumerated in Section XV, Note 2. For example, an iron or steel article having the essential character of a bolt, but committed by design to function as a fastening or holding device in a particular mining machine, is classified in heading 73.18 and not as a machine part since heading 73.18 falls within the scope of the expression.

14. The Appendix to this memorandum contains lists of articles covered by the expression “parts of general use”.

### **C – Parts Suitable for Use Solely or Principally With a Particular Kind of Machine or With Machines of the Same Heading**

15. The third category of parts reflects the application of legal Notes found, inter alia, at Section XVI, Note 2 (b), Section XVII, Note 3 and Chapter 95, Note 3.

16. The Notes referred to in paragraph 15 specify that parts of machines which are suitable for use solely or principally with a machine or group of machines of one heading and are not subject to either categories A or B above, and are to be classified as parts of that machine or machines. These provisions are legal Notes and the classification of parts falling under this category (e.g., parts dedicated to a single application) is an application of GIR 1.

17. Chapter 95, Note 3 specifies that a part or accessory not excluded by Note 1 to that Chapter, and suitable for use solely and principally with the goods of Chapter 95, is to be classified with those goods.

18. Dictionaries generally describe principal as “chief” or “first in importance”.

19. To determine the initial application of the part(s), this information should be obtained from the exporter, manufacturer or trade literature.

20. The following examples illustrate the principles of categories A, B, and C:

(a) Heading. 84.06 (Steam turbines and other vapour turbines) includes subheading 8406.90 for “Parts” (e.g., rotors, stators, rotor or stator blades);

(b) Heading. 84.09 (Parts suitable for use solely or principally with the machines of heading No. 84.07 or 84.08) provides for parts of goods classified in another heading.

(c) Heading 95.02 provides for “Dolls representing only human beings”. Artificial eyes made of plastics for those dolls effectively have no other use.

### **D – Multi-purpose Parts and Accessories**

21. Multi-purpose parts and accessories cover articles which are not specifically designed for one particular type of machine and therefore are capable of use in a variety of applications. They can only be included in this final category if they are not:

(a) specifically named in a heading or covered by a legal Note (See section A);

(b) “parts of general use” (See section B);

(c) suitable for use solely or principally with a particular machine or class of machines (See section C); or

(d) covered by any other provisions of Tariff.

22. Parts and accessories of this category are usually classified according to the provisions of Section XVI, Note 2(c), Section XVII, Note 3 and Chapter 90, Note 2(c) and to the relevant exclusions in the respective Note 1 to the Section or Chapter. Examples of parts of goods of Section XVI, but not of any particular machine, appliance, etc., include:

- (a) of heading 84.85 (for non-electrical goods) greasing nipples, oil seal rings, levers; and
- (b) of heading 85.48 (for electrical goods) certain types of thermocouples.

## Identifying Parts and Accessories

### General

23. Decisions of the Federal Court and the Canadian International Trade Tribunal (CITT) and its predecessor organization, the Tariff Board, provide useful guidance to the classification of parts and accessories.
24. No one case provides a clear answer as to what constitutes a part and what constitutes an accessory. There is no one universally applicable test. Rather, each case must be determined on its own merits.
25. For an article to be classified as a part of a good it must be committed for use with those goods.
26. An article that can be used with goods other than those described in a heading, subheading or tariff item is not to be regarded as so committed. An article which has no other use than with such goods and is necessary to their function is committed for use with them.
27. Five criteria have emerged over the years which set forth basic considerations for the classification of parts. To be considered to be a part, goods:
- (a) form a complete unit with the machine;
  - (b) have no alternative function;
  - (c) are marketed and shipped as a unit;
  - (d) are necessary for the safe and prudent use of the unit; and/or
  - (e) are committed to the use of the unit.
28. These considerations have no particular order of precedence. Used singly or in combination, they are useful in determining whether or not an article constitutes a part.
29. For an article to be considered an accessory it must be solely or principally for use with a particular good and must supplement the functionality of that good,

### Disposable Articles

30. The fact that an article may be a “disposable” item does not preclude its consideration as a part or accessory or even as an appliance, apparatus or other device in its own right. Changing technologies have led to the replacement of some re-usable parts with disposable ones. Proper application of the five criteria mentioned under the General Guidelines will take precedence over the inherent disposability of an article.
31. The Federal Court has affirmed and reaffirmed that:

The law must be construed by reference to the whole of its possible field of application and not by considering only the limited areas. Application of this concept to disposable articles recognizes the principles set forth in decisions relevant to the classification of parts and accessories while taking into consideration evolving technologies, particularly in the medical sciences.

### Eligibility for Conditional Relief

32. Regardless of the classification of an article in Schedule I, whether in a particular parts heading (e.g., in headings 84.31 and 87.08) or specifically named (e.g., heading 85.01), that article may be eligible for consideration under a conditional relief tariff item provided two conditions are met. Firstly, the article must qualify from a commodity perspective and, secondly, it must be used as specified. Consequently, an article which is not classified under a Schedule I parts provision may nonetheless be eligible for the benefits of a conditional relief tariff item when both of these conditions are met.

## Additional Information

33. For more information, within Canada call the Border Information Service at **1-800-461-9999**. From outside Canada call 204-983-3500 or 506-636-5064. Long distance charges will apply. Agents are available Monday to Friday (08:00 – 16:00 local time/except holidays). TTY is also available within Canada: **1-866-335-3237**.

## Appendix

### Articles Covered by the Expression “Parts of General Use”

Section XV, Note 2 provides for:

in provision (a)

73.07 Tube or pipe fittings (for example, couplings, elbows, sleeves), of iron or steel.

73.12 Stranded wire, ropes, cables, plaited bands, slings and the like, of iron or steel, not electrically insulated.

Note: Whether or not cut to length or fitted with terminal parts, provided they do not assume the character of articles of other headings. (See Explanatory Note.)

73.15 Chain and Parts Thereof, of iron or steel.

Note: See note at heading No. 73.12 above. (See Explanatory Note.)

73.17 Nails, tacks, drawing pins, corrugated nails, staples (other than those of heading No. 83.05) and similar articles, of iron or steel, whether or not with heads of other material, but excluding such articles with heads of other material, but excluding such articles with heads of copper.

73.18 Screws, bolts, nuts, coach screws, screw hooks, rivets, cotters, cotter-pins, washers (including spring washers) and similar articles, of iron or steel.

Note: The articles of this heading are used to assemble or fasten goods. Whether or not an article is committed by design to a specific assembly, Machine, etc., or fastening application does not preclude classification from this heading. in provision (b)

73.20 Springs and leaves for springs, of iron or steel

Note: The only exceptions are clock or watch springs in provision (c)

83.01 Padlocks and locks (key, combination or electrically operated), of base metal; clasps and frames with clasps, incorporating locks, or base metal; keys for any of the foregoing articles, of base metal.

83.02 Base metal mountings, fittings and similar articles suitable for furniture, doors, staircases, windows, blinds, coachwork, saddlery, trunks, chests, caskets or the like; base metal hat-racks, hat pegs, brackets and similar fixtures; castors with mountings of base metal; automatic door closers of base metal.

83.06 Photograph, picture or similar frames, of base metal; mirrors of base metal.

83.08 Clasps, frames with clasps, buckles, buckle-clasps, hooks, eyes, eyelets and the like, of base metal, of a kind used for clothing, footwear, awnings, handbags, travel goods or other made up articles; tubular or bifurcated rivets, or base metal; beads and spangles, or base metal.

83.10 Sign-plates, name-plates, address-plates and similar plates, numbers, letters and other symbols, of base metal, excluding those of heading No. 94.05

Note: Similar articles of other base metals classified to their respective Chapters of Section IV; if of plastics in Chapter 39; if of rubber in Chapter 40.

<b>References</b>	
<b>Issuing Office</b>	Trade and Anti-dumping Programs Directorate
<b>Headquarters File</b>	4500-0
<b>Legislative References</b>	<a href="#"><u>Customs Tariff</u></a>
<b>Other References</b>	
<b>Superseded Memorandum D</b>	D10-0-1 dated January 24, 1994