



Ottawa, April 23, 2014

# Memorandum D10-14-21

## Tariff Classification of Motorboats With Outboard Motors, Inboard-outboard Engines, and Inboard Engines

### In Brief

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

This memorandum outlines and explains the tariff classification of motorboats with different types of engines (motors).

### Legislation

#### Customs Tariff

Tariff items 8407.21.00, 8407.29.10, 8407.29.20, 8408.10.00, 8716.39.90, 8903.92.00, and 8903.99.90 read as follows:

84.07	Spark-ignition reciprocating or rotary internal combustion piston engines.
...	-Marine propulsion engines:
<b>8407.21.00</b>	- - Outboard motors
8407.29	- -Other
8407.29.10	- - -Inboard-outboard engines
8407.29.20	- - -Inboard engines
...	
84.08	Compression-ignition internal combustion piston engines (diesel or semi-diesel engines).
8408.10.00	- Marine propulsion engines
...	
87.16	Trailers and semi-trailers; other vehicles, not mechanically propelled; parts thereof.
...	- Other trailers and semi-trailers for the transport of goods:
<b>8716.39.90</b>	- - - Other
...	
<b>89.03</b>	Yachts and other vessels for pleasure or sports; rowing boats and canoes.
...	- Other
<b>8903.92.00</b>	- - Motorboats, other than outboard motorboats
...	
<b>8903.99.90</b>	- - - Other

### Guidelines and General Information

#### Motorboats With Outboard Motors

1. Outboard motors are generally interchangeable and not committed by design for any particular boat. Therefore, outboard motors and motorboats are classified separately regardless of how the goods are invoiced. Outboard motors are classified under tariff item 8407.21.00 or 8408.10.00 as the case may be, and outboard motorboats are classified under subheading 8903.99.

## Motorboats With Inboard-outboard Engines (Motors)

2. Inboard-outboard motors, sometimes referred to as “stern drives,” are designed to be fitted to the inside of the hull at the rear of the boat combined with a block holding a steering propeller fixed to the exterior of the boat. A motorboat and an inboard-outboard motor are normally sold as one unit.
3. Motorboats with inboard-outboard engines are classified as complete inboard-outboard motorboats under tariff item 8903.92.00. This is in accordance with Rule 1 of the General Rules for the Interpretation (GRI) of the Harmonized System.
4. In cases where the engines are not attached to the boats at time of importation, but the boats and motors are presented to the Canada Border Services Agency (CBSA) at the same time, whether or not invoiced separately, the goods are still classified as one entity based on Rule 2(a) of the GRIs. This rule states that complete or finished articles presented unassembled or disassembled are classified in the same heading as the assembled article.
5. Inboard-outboard engines, presented to the CBSA without boats, are classified under the provisions of Chapter 84 of the [Customs Tariff](#). This classification also applies to the excess number of engines in instances where engines and boats are presented to the CBSA at the same time, and the engines are in greater number than the boats, e.g., fifteen boats and twenty engines. The extra five engines are classified under Chapter 84 of the *Customs Tariff*.

## Motorboats With Inboard Engines (Motors)

6. Motorboats with inboard engines are, by design, compatible to each other. The engine completely enclosed within the boat is connected to the propeller by a drive shaft.
7. The CBSA applies the same classification principle for motorboats with inboard-outboard engines, i.e., they are classified as one single entity. Therefore, motorboats with inboard engines are classified as one complete unit under tariff item 8903.92.00.
8. Trailers for motorboats, whether or not invoiced as a package, are classified separately under tariff item 8716.39.90.

## Additional Information

9. For certainty regarding the tariff classification of a product, importers may request an advance ruling on tariff classification. Details on how to make such a request are found in [Memorandum D11-11-3, Advance Rulings for Tariff Classification](#).
10. 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**.

References	
<b>Issuing Office</b>	Trade and Anti-dumping Programs Directorate
<b>Headquarters File</b>	HS 8903.92
<b>Legislative References</b>	<a href="#">Customs Tariff</a>
<b>Other References</b>	<a href="#">D11-11-3</a>
<b>Superseded Memorandum D</b>	D10-14-21 dated February 13, 1998