



Ottawa, March 23, 2006

MEMORANDUM D10-14-38

In Brief

TARIFF CLASSIFICATION OF FURNITURE IMPORTED IN DISASSEMBLED CONDITION

This notice outlines the Canada Border Services Agency policy as it relates to the tariff classification of furniture imported in a disassembled condition. The "Guidelines and General Information" presents the various circumstances and conditions, under which disassembled furniture is imported, and the specific considerations that must be taken into account when making a tariff classification.



Printed in Canada



Ottawa, March 23, 2006

MEMORANDUM D10-14-38

TARIFF CLASSIFICATION OF FURNITURE IMPORTED IN DISASSEMBLED CONDITION

This notice outlines the Canada Border Services Agency policy as it relates to the tariff classification of furniture imported in a disassembled condition.

Legislation

Customs Tariff

General Rule 2(a) for the Interpretation of the Harmonized System states:

“Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this Rule), presented unassembled or disassembled.”

GUIDELINES AND GENERAL INFORMATION

1. Explanatory Notes (V), (VI), (VII), (VIII) and (IX) to the General Rule 2(a) provide further guidance with respect to articles that are presented in unassembled or disassembled form.

Conditions of Transport and Shipping

2. For the ease of transport, furniture is generally shipped in disassembled or “knocked down” condition and is assembled after importation.

3. There are two scenarios in which disassembled furniture is shipped. They are as follows:

Scenario 1 – All components that make up the article of furniture are presented in a single shipment.

Example: The tops, legs and hardware for six complete tables form a single shipment at the time of importation.

Scenario 2 – Certain parts are imported in one shipment while the remaining parts are imported in another shipment.

Example: The tops for six complete tables are imported as a single shipment with the legs and hardware being imported a week later as a separate shipment.

Tariff Classification Policy

4. It is a reality of modern commerce that goods are often ordered and purchased as complete units, but they are shipped in a disassembled condition for various reasons such as to reduce transportation costs and delays. As outlined in Scenario 2, certain business operations and practices may require that articles be ordered as complete units but shipped separately over a period of time. These shipping practices do not change the fact that the goods were ordered as complete units and not as parts.

5. In both scenarios, the goods are to be classified as articles in unassembled or disassembled form in accordance with General Rule 2(a) for the Interpretation of the Harmonized System. They are not to be classified as parts.

6. In order to determine if articles are to be classified as disassembled furniture, the commercial reality of the transaction between the importer and exporter must be considered (i.e. what was actually purchased by the importer: complete furniture or unrelated parts).

7. Articles that are imported specifically either as replacement parts or to be incorporated with domestic components in the manufacture of domestic furniture will be classified in their own right under the appropriate Harmonized System heading.

8. For additional information contact:

Tariff Policy Division
Admissibility Branch
Canada Border Services Agency
150 Isabella Street
Ottawa, ON K1A 0L8

Telephone: (613) 954-6861
Facsimile: (613) 952-3971

REFERENCES

| | |
|--|---|
| ISSUING OFFICE – Tariff Policy Division Trade Policy Directorate Admissibility Branch | HEADQUARTERS FILE – HS9403.80 |
| LEGISLATIVE REFERENCES – <i>Customs Tariff</i> General Rules for the Interpretation of the Harmonized System Explanatory Notes to the Harmonized Commodity Description and Coding System | OTHER REFERENCES – N/A |
| SUPERSEDED MEMORANDA “D” – N/A | |

Services provided by the Canada Border Services Agency are available in both official languages.

