



Ottawa, May 9, 2014

# Memorandum D10-15-18

## Tariff Items 9967.00.00 and 9968.00.00

### 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 Canada Border Services Agency's (CBSA's) interpretation of tariff items 9967.00.00 and 9968.00.00, which relate to commodities in the aviation industry.

### Legislation

Tariff item 9967.00.00 reads:

Goods, other than seat covers of textile fabric, for use in aircraft, ground flying trainers, aircraft engines or airborne aircraft equipment, and parts thereof.

Tariff item 9968.00.00 reads:

Goods of Section XV or XVI or of Chapter 15, 25, 28, 32, 34, 37, 38, 39, 40, 48, 68, 69, 90, or 94, for the manufacture, repair, maintenance, rebuilding, modification or conversion of aircraft, ground flying trainers or aircraft engines, and parts thereof.

Section 2 of the [Customs Tariff](#) reads, in part:

“For use in”, wherever it appears in a tariff item, in respect of goods classified in the tariff item, means that the goods must be wrought or incorporated into, or attached to, other goods referred to in that tariff item.

## Guidelines and General Information

### Definitions

1. The following definitions are applicable to the interpretation of tariff items 9967.00.00 and 9968.00.00.

Articles – Products that are semi-manufactured or manufactured from any material and have a definite shape. They may be in the rough without any designated use or they may be in semi-finished or completely finished form which would render them suitable for a specific purpose.

Civil Aircraft – The term “civil aircraft” includes all aircraft except military aircraft. The term also includes balloons (free or captive), dirigibles, gliders, hang gliders, other non-powered aircraft, helicopters, airplanes, and other aircraft.

Goods – Products that may either be a material or an article. Thus, the term goods encompass both terms, i.e., materials or articles.

Materials – Products that may be natural or synthetic substances and mixtures thereof. They may be manufactured to a degree. They may be without specific shape and must not be cut to size to render them suitable for a specific purpose. Examples are moulding pellets, pigments, paint and paper, metal, plastic materials in sheet, tube or rod form.

Repair – The adjustment or the replacement of parts to aircraft, aircraft engines, or parts of all the foregoing to restore the article to its original operating conditions. Servicing functions carried out to the aircraft while stationed for the embarking and disembarking of passengers, such as, refueling, sanitary servicing, water servicing, replenishing food and beverage supplies are not included within the meaning of repair and maintenance for the purpose of tariff item 9968.00.00.

2. The term “for use in” is defined in Section 2 of the [Customs Tariff](#), and reproduced above. The words “wrought or incorporated into” are interpreted to mean that there must be a degree of permanency to the incorporation into the host good. The words “or attached to, other goods” are interpreted to mean fastened or affixed. The connections should be substantial but need not be permanent in nature. In all three instances (i.e., wrought into, attached to, or incorporated into) the imported goods must form an integral component of the aircraft, ground flying trainers, aircraft engines, airborne aircraft equipment, or parts thereof. The words “for use in” would exclude goods that may be attached to aircraft at the beginning or during the flight, but are removed at any ground point or at the finishing point of the flight.

### **Tariff item 9967.00.00**

3. This tariff item covers a broad range of goods. There are two specific criteria that must be met. The good must:

(a) not be seat covers made of textile fabric; and

(b) must meet the definition of the term “for use in” as defined in section 2 of the [Customs Tariff](#) and be subject to the CBSA’s interpretation of the words “wrought into,” “attached to,” and “incorporated into.”

4. Generally, consumable goods do not meet the definition of “for use in” found in section 2. Examples of such goods include grease and fuel oil.

5. Examples of goods eligible for classification under tariff item 9967.00.00 include:

(a) Various materials (including paint, lacquers, and glue) and articles of glass, metal (including bolts and fittings), plastic, textile fabric, and paper fabric normally used in the construction or repair of aircraft, ground flying trainers, aircraft engines, airborne aircraft equipment, and parts thereof;

(b) Gauges of various types, electronic equipment, computer devices, and communicating head gear (of the kind used in the cockpit) which are permanently attached to the aircraft;

(c) Ovens that are fastened to the aircraft;

(d) Life rafts (which may also be used as chutes) that are fastened to the aircraft;

(e) Portable hand-held global positioning systems specifically designed for use on aircraft (i.e., such goods must have built-in assists to aviation such as aviation software, Jeppesen aviation data bases and mapping helps, and aviation installation and mounting kits). Other global positioning systems are excluded from the provisions of tariff item 9967.00.00.

6. Examples of goods that do not qualify for classification under tariff item 9967.00.00 include:

(a) Goods utilized on the aircraft but not permanently attached thereto such as dishes, pillows, blankets, life jackets, life rafts (of the type not attached to the aircraft), aviation fuel, emergency flashlights, and galley carts used to serve meals and beverages;

(b) Goods that may be temporarily connected to the aircraft during flight but are removed at destination such as cargo containers, portable food boxes, inflight headphones of the type distributed to passengers, certain geophysical instruments of heading 90.15, and cameras of heading 90.07.

### **Tariff item 9968.00.00**

7. This tariff item covers a large range of goods for use in the manufacture, repair, maintenance, rebuilding, modification, or conversion of aircraft, ground flying trainers or aircraft engines, and parts thereof. There are a number of specific criteria that must be met in order to classify goods under tariff item 9968.00.00. The goods must:

(a) be classified in Section XV or XVI or in Chapter 15, 25, 28, 32, 34, 37, 38, 39, 40, 68, 69, 91, or 94 of the [Customs Tariff](#);

(b) be used **directly** in the manufacturing or repairing operation (in accordance with the CBSA's interpretation of the term "directly" as indicated below) of aircraft, ground flying trainers or aircraft engines, and parts thereof.

8. The word "directly" means there must be a close connection or link between the machinery or apparatus used in the process of production or repair of the aircraft, ground flying trainers or aircraft engines or parts thereof. Consequently, machinery and apparatus used in the planning and designing process of a manufacturing operation would not be included.

9. Examples of goods classifiable under tariff item 9968.00.00 include:

- (a) production equipment such as stationary or other non-mechanical holding jigs, moulds, air tools;
- (b) scaffolding;
- (c) non-mechanical hand tools owned by the company (excluding such tools owned by the mechanics or technicians);
- (d) test equipment used to evaluate/analyze the quality and characteristics of production or repair;
- (e) consumable tools e.g., tumbling media, abrasive stones and wheels, and cutting blades;
- (f) cleaning powders, cutting oils, etching compounds used directly or consumed in the production or repair process;
- (g) chemicals for treating aircraft skins;
- (h) non-mechanical chemical tanks;
- (i) operable prototypes that are actually used in test flights.

10. The following goods are **not** considered to be used directly in the repair or manufacture of aircraft, ground flying trainers, aircraft engines, and parts thereof and/or are not classified in the Sections or Chapters specified in tariff item 9968.00.00. Consequently, they are not classified under this tariff item:

- (a) goods for administrative operations associated with production facilities (office equipment, paper, furniture, etc.);
- (b) computer design equipment (such as CAD/CAM) and other goods for use in the research, development, and design of aircraft, ground flying trainers, aircraft engines, and parts thereof, rather than in the production of these goods;
- (c) non-operable prototypes;
- (d) inventory handling equipment such as lift trucks, dollies, cradles, pallets, and containers;
- (e) structural, heating, cooling, plumbing, fire extinguishing, general electrical distribution equipment, and other similar equipment found in production facilities but not directly associated with the production processes;
- (f) test equipment other than that used directly in the repair and manufacture of aircraft, aircraft engines; and parts thereof;
- (g) fuel and lubricating oils for machinery and other plant equipment;
- (h) sweeping machines that sweep the production area.

11. Goods used directly in the production or repair of aircraft, ground flying trainers, aircraft engines, or parts thereof, that do not fall within one of the Sections or Chapters specified in the tariff item do not qualify. For example, engine transport stands classified under heading 87.16. In addition, servicing equipment classified under Chapter 87, such as fuel trucks, lavatory service trucks, baggage wagons, and tractors, do not qualify.

## Additional Information

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

13. 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**.

<b>References</b>	
<b>Issuing Office</b>	Trade and Anti-dumping Programs Directorate
<b>Headquarters File</b>	HS 9967.00, HS 9968.00
<b>Legislative References</b>	<a href="#">Customs Tariff</a>
<b>Other References</b>	<a href="#">D11-11-3</a>
<b>Superseded Memorandum D</b>	D10-15-18 dated February 26, 1998