



Ottawa, March 9, 2007

MEMORANDUM D10-14-45

In Brief

TARIFF CLASSIFICATION OF KIT CARS

This memorandum outlines the Canada Border Services Agency policy as it relates to the tariff classification of kit cars under the *Customs Tariff*.



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Legislation

Customs Tariff

87.03 Motor cars and other motor vehicles principally designed for the transport of persons (other than those of heading 87.02), including station wagons and racing cars.

87.06 Chassis fitted with engines, for the motor vehicles of headings 87.01 to 87.05.

8706.00.20 ---For the vehicles of heading 87.03 or of subheading 8704.21 or 8704.3

87.07 Bodies (including cabs), for the motor vehicles of headings 87.01 to 87.05.

8707.10.00 -For the vehicles of heading 87.03

87.08 Parts and accessories of the motor vehicles of headings 87.01 to 87.05.

(b) Kits, which consist of only the body as specified in the Explanatory Notes to heading 87.07, and an incomplete chassis frame of tariff item 8706.00.20, are considered to be incomplete and unassembled motor cars of heading 87.03 and would be classified under the appropriate tariff item. Such kits normally have a complete chassis-frame but require the addition of one or more of the following major components: the engine, the transmission and/or the steering column after importation.

(c) The third type of kits is made up of only a body and minor parts and accessories such as wheels, mufflers and steering wheels. These kits are not considered to be incomplete and unassembled motor cars of heading 87.03. In such cases, each component in the kit must be individually classified under the appropriate tariff item. Generally, the body would be classified under tariff item 8707.10.00. The remaining parts and accessories would for the most part be classified under the appropriate tariff items of heading 87.08. This type of kit lacks a complete chassis-frame, a transmission and an engine, but may include some minor elements of the chassis.

GUIDELINES AND GENERAL INFORMATION

Definition and Design

1. These units are specialized automotive assembly kits. After final assembly, they become fully operational replicas of antique classic or speciality motor cars. The kits consist of custom-built components such as the body and other parts, which would give the assembled vehicle the general appearance of an antique, classic or specialty motor car. All remaining components such as the engine and transmission are contemporary products that are used in the manufacture of current or late model cars.

Tariff Classification Policy

2. The tariff classification of these kits is dependent on the number and type of components in the kit at the time of importation. Kits fall into one of the following three main categories:

(a) The first type of kits consists of all the components necessary to assemble a complete motor car without any additional parts or accessories after importation. Such kits would be considered as unassembled motor cars of heading 87.03 and would be classified under the appropriate tariff item.

3. It should be noted that the tariff classification of the third type of kit is based on the decision rendered on June 11, 1990 by the Canadian International Trade Tribunal in Appeal AP-89-228.

4. For additional information contact:

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Canada Border Services Agency
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REFERENCES

<p>ISSUING OFFICE –</p> <p>Tariff Policy Division Trade Programs Directorate Admissibility Branch</p>	<p>HEADQUARTERS FILE –</p> <p>HS 8703.10, HS8703.21, HS8703.22, HS8703.23, HS8703.24, HS8703.31, HS8703.32, HS8703.33, 8703.90, HS8707.70</p>
<p>LEGISLATIVE REFERENCES –</p> <p><i>Customs Tariff</i> General Rules for the Interpretation of the Harmonized System Explanatory Notes to the Harmonized Commodity Description and Coding System</p>	<p>OTHER REFERENCES –</p> <p>N/A</p>
<p>SUPERSEDED MEMORANDA “D” –</p> <p>N/A</p>	

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

