



Ottawa, November 9, 2010

MEMORANDUM D10-14-58

In Brief

TARIFF CLASSIFICATION OF FURNITURE SETS

This memorandum outlines the Canada Border Services Agency policy as it relates to the tariff classification of furniture sets.





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This memorandum outlines the Canada Border Services Agency (CBSA) administrative policy as it relates to the tariff classification of furniture sets.

Legislation

The following portions of the *Customs Tariff* are relevant to this memorandum:

Headings:

94.01

Seats (other than those of heading 94.02) whether or not convertible into beds, and parts thereof.

94.03

Other furniture and parts thereof.

The General Interpretative Rules (GIRs) are found in the *Customs Tariff*.

GUIDELINES AND GENERAL INFORMATION

1. For the purposes of tariff classification, General Interpretive Rule (GIR) 3(b) allows certain “goods put up in sets for retail sale” to be classified collectively rather than individually. To qualify for such treatment, the “set” must be goods which:

- (a) consist of at least two different articles which are classifiable in different headings;
- (b) consist of products or articles put up together to meet a particular need or carry out a specific activity; and
- (c) are sold directly to users without repacking (e.g., in boxes or cases or on boards).

2. The fact that a product is commercially described as a “set” is not sufficient for it to qualify as “goods put up in sets for retail sale”. For example, six fondue forks are not regarded as a set.

3. For goods commercially described as a “furniture set” to be considered as “goods put up in sets for retail sale” the individual pieces must be designed for use in a specific room such as a kitchen, dining room, living room or

bedroom or for a specific function such as for use in an office environment. The pieces usually have a common or complementary styling (e.g., Swedish Modern, Colonial, or French provincial), and are generally manufactured from the same materials.

4. For example, a dining room set can consist of chairs and a table. It can also include pieces, such as a china cabinet and/or a sideboard.

5. In the vast majority of cases, furniture sets are immediately warehoused after importation. The marketing and sale of these products are generally based on floor models that are on display at furniture stores and other retail outlets.

6. Depending on the importer or exporter’s shipping requirements, or the size and number of pieces, a furniture set may enter Canada in a single box or in two or more boxes.

7. The number of boxes is a factor in how a furniture set is classified. When the set is packaged in more than one box it cannot be considered as “goods put up in sets for retail sale” under GIR 3(b), and each piece in the set must be classified separately. This is pursuant to a decision of the Harmonized System Committee (HSC) of the World Customs Organization (WCO). See paragraph 9 for more details. For example, in the case of the dining room set mentioned above, the chairs would be classified under the appropriate tariff item of heading 94.01, while the remaining pieces of furniture are classified under the appropriate tariff item of heading 94.03.

8. Occasionally, smaller sets are marketed at large retail outlets in the same box in which they were imported. For example, a bistro set consisting of two chairs and a small table.

9. The WCO classified a bistro patio set consisting of a square (76 x 76 cm) solid hardwood table and two matching wooden chairs, presented unassembled and put up in a single box for retail sale, under heading 94.03 (Compendium of Classification Opinions 9403.60/1). However, the WCO also determined that the same goods packaged in two or more boxes would not qualify as “goods put up in sets for retail sale” and the components would have to be classified separately.

10. To reach this conclusion the WCO applied GIRs 1, 2(a), 3(c) and 6. GIR 2(a) allowed the unassembled components to be classified as if they were the finished good. GIR 3(a) did not apply as the headings applicable to the hardwood table and the wooden chairs described only part of the furniture set and did not provide the most specific description. GIR 3(b) did not apply because neither component gives the set its essential character. GIR 3(c) then directed that the goods be classified under heading 94.03, as it is the latter of two possible headings that equally warranted consideration (Chairs – 94.01, Tables – 94.03). IR 6 allowed for classification at the subheading level.

11. It is important to note that in the case of "goods put up in sets for retail sale" the determination of "essential character" must be done on a case-by-case basis taking into consideration all of the characteristics of the specific goods. Some of the characteristics to take into consideration include functionality, durability, quality, material composition and relative value.

REFERENCES

<p>ISSUING OFFICE –</p> <p>Tariff Division Post-Border Programs Directorate Programs Branch</p>	<p>HEADQUARTERS FILE –</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>SUPERSEDED MEMORANDA “D” –</p> <p>N/A</p>	

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