

## **MEMORANDUM D10-17-39**

Ottawa, June 14, 1995

### **SUBJECT**

#### **INTERPRETATIVE POLICY — TARIFF CLASSIFICATION OF METAL ORES AND CONCENTRATES (TARIFF ITEM NOS. 2603.00.00 TO 2616.90.00)**

This Memorandum outlines and explains the tariff interpretation of metal ores and concentrates for the purpose of tariff item Nos. 2603.00.00, 2604.00.00, 2607.00.00, 2608.00.00, 2616.10.00 and 2616.90.00.

### **Legislation**

#### **Tariff item Nos. involved**

2603.00.00 Copper ores and concentrates

- 10 ----- Copper content
- 20 ----- Lead content
- 30 ----- Zinc content
- Precious metal content:
- 81 ----- Silver content
- 82 ----- Gold content
- 90 ----- Other

2604.00.00 Nickel ores and concentrates

- 10 ----- Copper content
- 20 ----- Nickel content
- Precious metal content:
- 81 ----- Silver content
- 82 ----- Gold content
- 83 ----- Platinum group metal content
- 90 ----- Other

2607.00.00 Lead ores and concentrates

- 10 ----- Copper content
- 20 ----- Lead content
- 30 ----- Zinc content

----- Precious metal content:  
81 ----- Silver content  
82 ----- Gold content  
90 ----- Other

2608.00.00 Zinc ores and concentrates

10 ----- Copper content  
20 ----- Lead content  
30 ----- Zinc content  
----- Precious metal content:  
81 ----- Silver content  
82 ----- Gold content  
90 ----- Other

2616.10.00 - Silver ores and concentrates

10 ----- Copper content  
20 ----- Lead content  
30 ----- Zinc content  
----- Precious metal content:  
81 ----- Silver content  
82 ----- Gold content  
90 ----- Other

2616.90.00 - Other

10 ----- Silver content  
20 ----- Gold content  
30 ----- Platinum group metal content

## **Rules**

As stipulated under Section 10 of the *Customs Tariff*, the following are the General Rules for the Interpretation of the Harmonized System (GIR) and the Canadian Rules to be applied in the tariff classification of metal ores and their concentrates:

### **GIR No. 3**

When by application of Rule 2(b) or for any other reason, goods are, *prima facie*, classifiable under two or more headings, classification shall be effected as follows:

- (a) The heading which provides the most specific description shall be preferred to headings providing a more general description. However, when two or more headings each refer to part only of the materials or substances contained in mixed or composite goods or to part only of the items in a set put up for retail sale, those headings are to be regarded as equally specific in relation to those goods, even if one of them gives a more complete or precise description of the goods.
- (b) Mixtures, composite goods consisting of different materials or made up of different components, and goods put up in sets for retail sale, which cannot be classified by reference to 3(a), shall be classified as if they consisted of the material or component which gives them their essential character, insofar as this criterion is applicable.
- (c) When goods cannot be classified by reference to 3(a) or 3(b), they shall be classified under the heading which occurs last in numerical order among those which equally merit consideration.

#### **GIR No. 6**

For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related Subheading Notes and, *mutatis mutandis*, to the above Rules, on the understanding that only subheadings at the same level are comparable. For the purpose of this Rule the relative Section and Chapter Notes also apply, unless the context otherwise requires.

#### **Canadian Rule No. 1**

For legal purposes, the classification of goods in the tariff items of a subheading or of a heading shall be determined according to the terms of those tariff items and any related Supplementary Notes and, *mutatis mutandis*, to the above Rules, on the understanding that only tariff items at the same level are comparable. For the purpose of this Rule the relative Section and Chapter Notes also apply, unless the context otherwise requires.

#### **Canadian Rule No. 4**

Unless the context otherwise requires, the provisions of Rule 6 of the General Rules for the Interpretation of the Harmonized System shall apply, *mutatis mutandis*, to the classification numbers within any one tariff item. (NB This rule does not form part of the *Customs Tariff* legislation.)

## GUIDELINES AND GENERAL INFORMATION

1. Except where the context otherwise requires, ores and concentrates made up of more than one mineralogical species are to be classified in heading Nos. 26.01 to 26.17 as appropriate by the application of General Interpretative Rule 3(*b*) or failing that by the application of Rule 3(*c*). (See page 204 of Explanatory Note.)
2. By the application of GIR 3(*b*), metal ores and concentrates consisting of different materials or made up of different components will be classified as if they consisted of the material or component which gives the ores and concentrates their essential character.
3. By application of GIR 3(*c*), when metal ores and concentrates cannot be classified by reference to 3(*b*), they will be classified under the heading which occurs last in numerical order among those which equally merit consideration.
4. In the area of metal ores and concentrates, the criterion of essential character based on weight is the most appropriate. Therefore, by the application of GIR 3(*b*), for the classification of metal ores and concentrates, the essential character will be determined, in most instances, by the metal which has the highest weight in the mixture.
5. Most concentrates contain more than one mineralogical species.
6. Shipments of metal ores and concentrates consisting of different materials or made up of different components are accompanied with documents which show the value and the weight of the shipment and the proportion of each of the metals contained in the ores and concentrates. This description or proportion generally is reflected in Kilograms per Short Dry Ton (KGM/SDT).
7. The recommended method for determining the essential character of metal ores and concentrates is based on the weight of each metal contained in the ores and concentrates, with the metal comprising the greatest weight determining the heading, sub-heading and tariff item within Chapter 26 for the entire shipment. This is the most stable and consistent method.
8. Other methods which may be used to determine the essential character of a shipment of metal ore or its concentrates, are:
  - (*a*) the origin of the ores and concentrates, that is, the metal for which the mine was established — However, the origin of the ores and concentrates (for example, gold mine, silver mine) is not always specified on the documents submitted to the customs office at the time of the original declaration; or,
  - (*b*) the market value of each of the metals contained in the ores and concentrates with

the metal having the highest value determining the heading within Chapter 26 for the entire shipment — However, the value of the individual metals is not an appropriate basis as market value fluctuates with market conditions and is not consistent.

## **DOCUMENTATION**

9. Once the heading, sub-heading and tariff item have been determined by the application of the above guidelines, each of the metals identified on the documentation must be accounted for on a separate line for statistical purposes on Form B 3, *Canada Customs Coding Form*. That is, that a different statistical suffix (for example classification number) must be used for each metal identified in the shipment per tariff item employed.

10. For example, a concentrate or a metal ore contains 28.35 gm of gold per metric ton and 14 kgm of copper per SDT. Two lines will be necessary for this importation. The two classification numbers declared will be 2603.00.00.10 for the copper content, and 2603.00.00.82 for the gold content. Based on the declared weight proportions, if the total shipment consists of one metric ton of mineral ore, the quantities for each line will be 28.35 gm of gold and 14 kgm of copper. If the value for duty of the shipment is \$500, the value of the gold based on a market value of \$400 per ounce or for 28.35 gm will be \$400 and the value of the copper will be \$100. It should be noted that the remaining mineral ore has no commercial value.

11. Any questions concerning this matter should be directed to:

André Maheu  
Administrator, Tariff Policy and Appeals  
Minerals, Metals and  
Forest Products  
Unit 2C  
Tariff Programs  
Revenue Canada  
6th floor  
Connaught Building  
Ottawa ON K1A 0L5

Telephone: (613) 954-6925

Fax: 952-4074

**REFERENCES**

**ISSUING OFFICE**

Tariff Programs

**LEGISLATIVE REFERENCES**

*Customs Tariff*

**HEADQUARTERS FILE**

2603.00

**SUPERSEDED MEMORANDA "D"**

N/A

**OTHER REFERENCES**

N/A