

CUSTOMS CO-OPERATION COUNCIL AND THE HARMONIZED COMMODITY
DESCRIPTION AND CODING SYSTEM

In 1981 Canada began work towards the introduction of the Harmonized Commodity Description and Coding System (HS) being developed under the Customs Cooperation Council (CCC). The major reasons for this decision were: The HS would provide a comprehensive classification that would be easier to administer and be more easily understood by importers, exporters and manufacturers; it would allow compilation of reliable statistics; there would be a direct relationship between Canadian tariff and trade data and that of other countries using HS; and it would facilitate the preparation of export documents. The work of the CCC in developing a six digit nomenclature sufficiently detailed to identify statistically relevant goods was completed by 1983 when a draft convention was introduced and the implementation date set for 1988. In Canada this meant the conversion of the CITC (Canadian International Trade Classification) to an HS based system. This required subdivision beyond the six digit level; the six digit number was extended to give eight for tariff purposes and then further to ten for the compilation of trade statistics. The HS classification depends upon the intrinsic characteristics of the goods rather than upon end-use as was the case for the previous system. This required the development of Canadian Rules, Supplemental Notes and