

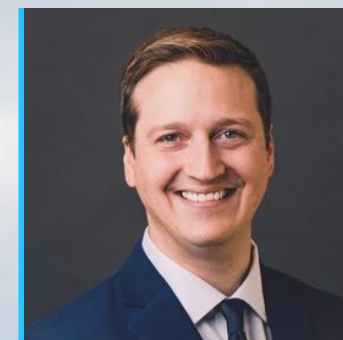
**TUESDAY · 13 October 2026**

# HTS Classification: Catching Mistakes



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# Topics Today:

1. Navigating the Trade Environment
2. Review, Correct, Prevent
3. Q&A

# Trade Facilitation is OUT...

[Executive Order 14411](#)

June 3, 2026

**The DOJ has a Zero Trust  
Policy when it comes to  
Customs Enforcement**



# ...Trade Enforcement is IN

The Civil False Claims Act (“FCA”) is one of the government’s primary litigative tools for combating fraud and recovering losses sustained by the U.S. Treasury.

The FCA reaches beyond importers to anyone who knowingly causes a violation – where “knowingly” encompasses actual knowledge, deliberate ignorance, willful blindness, and reckless disregard

[DOJ & CBP Resource Guide to Trade Fraud Enforcement](#)

[More info from whistleblower.org](#)

**POLL QUESTION**

Do you have adequate measures in place to ensure the accurate HTS classification of merchandise?

**A** OMG, Karen, you can't just ask people that!

**D** Dude, I don't even know what HTS stands for

**B** What do you mean by "adequate measures"?

**E** Yes

**C** What do you mean by "accurate classification"?

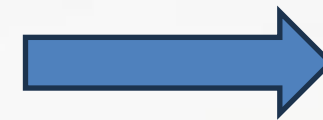
**F** Skip. Skip skip skip. SKIIIP.

# Terminology & Use

Similar words, similar meaning, similar application...not the same

## HS

- [The Harmonized System](#) established by the WCO in 1988
- Most often refers to the 6-digit “universal” classifications
- Updates every “5” years, with global impact



- Commercial Documents
- Certificates of Origin / FTA Certs
- Ex. “3926.20”

## HTSUS

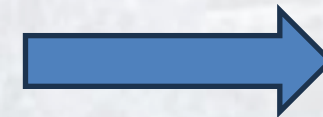
- [Harmonized Tariff System of the United States](#)
- Often shortened to “HTS”
- Most often refers to the 10-digit US system which, among other things, assigns duty rates to imported merchandise



- Customs Docs, i.e. ISF, 3461, & 7501
- Determination of duty rates
- Ex. “3926.20.2000”

## Schedule B

- [Schedule B](#) may only be used for exports
- No duty rates are assigned



- EEI/AES Filing
- Shippers Letter of Instruction (SLI)
- Ex. “3926.20.2500”

# Where do errors come from?

The vast majority of incorrect classifications stem from lack of knowledge, lack of process, lack of attention, or some mix of all 3.

The current trade environment is not only ramping up the difficulty to classify correctly – it's also triggering complete overhauls of classification processes and inviting “creative” approaches to duty management.

**Lack of knowledge, lack of process, lack of attention, or a mix of all 3**



HTS Classification Mistake #1:

**Lack of Knowledge**

# HTSUS Classifying

## The Standard Approach

- 1 Start with the [General Rules of Interpretation \(GRIs\)](#) and go in order
- 2 Read the Section & Chapter Notes first, then the Headings, then the Subheadings
- 3 The Nomenclature of the HTSUS has a hierarchy that must be followed in order
- 4 [Explanatory Notes](#)
- 5 [Cross Rulings](#)
- 6 Document your methods

Good classification has these 3 things:

1. A full understanding of the product being classified
2. Knowledge of how to classify under the HTSUS
3. Documentation that supports the conclusion

# HTS Classification Mistake #2:

## **Lack of Process**

# HTSUS Classifying

## Best Practices



- 1 Actively maintain HS Classifications and supporting documentation, including through HS Revisions
- 2 Inform Customs Brokers and supply chain partners
- 3 Resolve edge-cases and uncertainty
- 4 Obtain [Customs Rulings](#)
- 5 Have Trade Compliance included in Supply Chain decision-making

Remember to focus on:

1. All stages of the product lifecycle – origin, import, production, shipment, etc.
2. Maintaining relevant change records
3. Recognize when changes affect HS & downstream decisions

[Star USA Webinar: HTS Classification](#)

# HTS Classification Mistake #3:

## **Lack of Attention**

# HTSUS Classifying

## Review & Correction

1 [ACE](#)

2 Broker Reports – Product Numbers?

3 [Post Summary Correction](#)

4 [Protest](#)

5 [Prior Disclosure](#)

Take stock, be consistent, and keep records.

1. Quarterly Reviews
2. Establish a trend of maintaining compliance
3. Impact review & analysis, especially under current tariff regimes

# Review, Correct, Prevent

There is only 1 correct  
classification for  
imported merchandise



The importer of record carries the direct liability, but the DOJ is taking a much broader interpretation – anyone “knowing” of the violation, which can include actual knowledge, deliberate ignorance, willful blindness, and reckless disregard.

This is a relatively new layer of liability that hasn't been at the forefront of for several decades. There is only one correct classification for imported merchandise.

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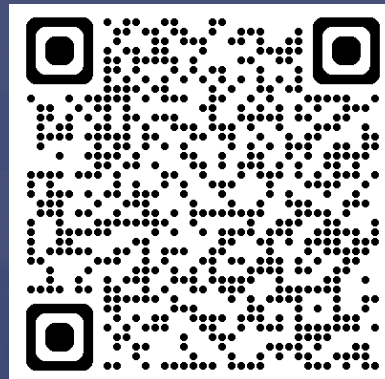


# Thank You!

| Stick around for some Q&A!

## Mock Audits: Finding Risks Before Customs Does

☒ Tuesday, November 10 at **1pm ET!**



 **CE Code for Today's Webinar**

**1 LCB/CCS/CES credit available from  
watching [the recording](#) until 10/1/2027**

