

# Harmonized System(HS) code

November 18, 2019

**Source:** *PIB & World Customs Organization*

In a long-awaited move to make the export of Khadi, exclusively categorized from the general league of textile products, the Ministry of commerce and industries has allocated separate HS code for this signature fabric of India

## Significance

The decision of the government will open a new chapter in the field of Khadi export.

## About HS Code

- HS Stands for Harmonized System and it is a six-digit identification code.
- It was developed by the WCO (World Customs Organization) and customs officers use HS Code to clear every commodity that enters or crosses any international border
- The Harmonized Commodity Description and Coding System generally referred to as “Harmonized System” or simply “HS” is a multipurpose international product nomenclature developed by the World Customs Organization (WCO).
- It comprises about 5,000 commodity groups; each identified by a six-digit code, arranged in a legal and logical structure and is supported by well-defined rules to achieve uniform classification.
- The system is used by more than 200 countries and economies as a basis for their Customs tariffs and for the collection of international trade statistics. Over 98 % of the merchandise in international trade is classified in terms of the HS.
- The HS contributes to the harmonization of Customs and

trade procedures, and the non-documentary trade data interchange in connection with such procedures, thus reducing the costs related to international trade.

- It is also extensively used by governments, international organizations and the private sector for many other purposes such as internal taxes, trade policies, monitoring of controlled goods, rules of origin, freight tariffs, transport statistics, price monitoring, quota controls, compilation of national accounts, and economic research and analysis.
- The HS is thus a **universal economic language and code for goods and an indispensable tool for international trade.**
- The Harmonized System is governed by “The International Convention on the Harmonized Commodity Description and Coding System”. The official interpretation of the HS is given in the Explanatory Notes (5 volumes in English and French) published by the WCO