

Global Trade Services
CLASSIFICATION SERVICES

What Is Classification?

Classification is the process of analyzing the performance characteristics of an item, technology or technical data once the jurisdiction determination has been made. The classification analysis is conducted to determine the Export Control Commodity Number (ECCN) or United States Munitions List (USML) category for export purposes, and Harmonized Tariff System (HTS) numbers for import and export purposes. These numbers are required to determine the licensing requirements, level of control and statistical reporting requirements for exports and the duty amount for imports. Classification numbers must be included on Automated Export System (AES) transmissions and on Customs Entry Declarations (7501's).

A Critical Compliance Step Often Overlooked

Classification is the basic foundation of all effective import and export compliance programs, but rarely receives the proper amount of attention and resources. Additionally, recent economic conditions, staff reductions and budgetary cutbacks have further caused neglect in this area. Classification efforts are labor and time intensive for those who are not experienced and adequately trained. Corporate compliance staff often find large classification projects complex and overwhelming, and in many instances do not have enough time, knowledge or resources to properly complete the task.

Costly Compliance Errors

Poorly prepared trade classifications can lead to potentially costly and damaging errors. Incorrect import classifications will cause erroneous results on duty owed to U.S. Customs or possibly overpayment. Incorrect export control classification numbers (ECCN or USML) can result in licensing errors and result in substantial fines and penalties, reputational damage and potentially a loss of import/export privileges.

Trade Classification Methodology

Step 1: Jurisdiction Analysis
 (Export Only)



Step 2: Classification Analysis



Stage 3: Export Authorization or
 Import Entry

Classification Services:

- ▶ Detailed project scoping and planning minimizes time and costs to classification engagements
- ▶ Experts can be both on and off site depending on need, to optimize efficiency of information analysis and costs
- ▶ ClassiTrack tool provides easy to reference information, including jurisdiction, ECCN/USML and rationale
- ▶ Final project (Classification Master Spreadsheet) report provides detailed project summary, metrics and recommendations

Our Proven Methodology, Optimized to Your Organization

Jackson Meade has a proven methodology for determining the correct import and export classification number. Our classification experts have assisted numerous international companies review and properly classify complex parts and product lines. We adapt our custom tools and processes to your specific industry and internal business model and work directly with your export staff, logistic experts and engineers.

PART# OR CODE	DESCRIPTION	Program File	HTS#	HTS# DESCRIPTION	REASONING	RATIONALE
241505B-4		NK-234	8319000000			ARE ALUMINUM TUBES WITH QUICK RELEASE PHENOLS MADE SPECIFICALLY FOR THE
49892077B-C		NK-234	9027905495			ARE ALUMINUM TUBES WITH QUICK RELEASE PHENOLS MADE SPECIFICALLY FOR THE
242955A-A		NK-234	9027905495			ARE ALUMINUM TUBES WITH QUICK RELEASE PHENOLS MADE SPECIFICALLY FOR THE
242955A-B		NK-234	9027905495			ARE ALUMINUM TUBES WITH QUICK RELEASE PHENOLS MADE SPECIFICALLY FOR THE
PC07893-2		NK-234	7616999090			RECEIVED FROM SARTIS DETECTION ON 3/26/11. THIS IS A COPOLYMER WHICH
10081-1		NK-234	3919905060			PER DESCRIPTION THIS IS A SEAL COVER FOR A SEVEE PACK WHICH IS SPECIFIC TO THE CO.
13881-4		NK-234				PER DESCRIPTION AND INFORMATION FROM TP ON 4/8/11 THIS IS A POLYPROPYLENE LABEL.
6905-1009		NK-234				PER DESCRIPTION AND INFORMATION FROM TP ON 4/8/11 THIS IS A POLYPROPYLENE LABEL.
15910-1		L7-897				AT
14415-3		L7-897				PER INFORMATION FROM TROUSA HELTON ON 5/6/11. THIS IS A FOL RESEALABLE BAG.
6710-0004H		L7-897				PER INFORMATION FROM TROUSA HELTON ON 5/6/11. THIS IS A FOL RESEALABLE BAG.
15911-1		L7-897				PER INFORMATION FROM TROUSA HELTON ON 5/6/11. THIS IS A LAMINATE FOL BAG.
10051-1		L7-897				PER DESCRIPTION AND INFORMATION FROM TP ON 4/8/11 THIS IS A POLYPROPYLENE LABEL.
14414-2		L7-897				PER DESCRIPTION AND INFORMATION FROM TP ON 4/8/11 THIS IS A POLYPROPYLENE LABEL.
14417-2		L7-897				PER DESCRIPTION AND INFORMATION FROM TP ON 4/8/11 THIS IS A POLYPROPYLENE LABEL.
6900-4300H		L7-897				ON A COMBINATION OF THESE TWO PARTS IN THESE ARE PARTS USED FOR CLEANING IN PER DESCRIPTION AND INFORMATION FROM TP

Proper Planning and Management of the project to minimize disruptions and delays

First, we discuss the size and scope of the project with your internal trade compliance and business experts to obtain an estimate of time and costs. Classification projects vary significantly in complexity, and it is important we understand your specific needs and challenges. Next, we create a project plan to successfully complete the classification of your parts universe. We document our analysis in the Classification Master Spreadsheet, where we detail classifications and their related rationales.

On site interviews with Technical and Engineering Staff

After we evaluate your product family mix and relevant bills of material we prepare custom HTS/ECCN/USML guides for those parts/assemblies/technologies cannot be immediately classified, we detail the questions needed to explain the form, fit, and/or functionality of the part assembly. If the basic description furnished by your compliance staff was not adequate and relevant information could not be found online, Jackson Meade sends tailored questions and product queries to client engineering/technical staff and other appropriate technical contacts. Once we received the information and deemed it adequate, we used that information to make the proper classification.

Summary Report with Recommendations

Finally, we issue an executive classification report that summarizes the findings on the Classification Master Spreadsheet, and Jackson Meade observations and recommendations. This unique Jackson Meade classification tool provides your management with a blueprint for strengthening your Import and Export classification methodology and program.