

5 Signs Your Imports May Have HS Classification Risk

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INTRODUCTION

Many Canadian importers rely heavily on customs brokers and routine filing processes.

Even small HS classification inconsistencies can create long-term duty exposure if left unreviewed.

While many import processes appear stable on the surface, internal inconsistencies may accumulate over time across suppliers, products, and historical entries.

Below are five common risk indicators that may justify additional internal review.

COMMON RISK INDICATOR 1

The same product appears under different HS codes

If similar products are classified differently across entries, your company may face inconsistent duty treatment and possible reassessment exposure.

Example: The same LED lighting product may appear under different classifications depending on supplier descriptions or broker interpretation.

COMMON RISK INDICATOR 2

All classifications are handled externally

Many importers rely entirely on brokers without internal validation procedures.

Even experienced brokers may not always have access to complete technical specifications or product-level operational context.

Internal verification processes can help reduce long-term inconsistencies.

COMMON RISK INDICATOR 3

Product descriptions are vague or inconsistent

Generic or incomplete product descriptions can increase classification ambiguity.

Small wording differences across invoices, supplier records, or entry documentation may affect tariff interpretation.

COMMON RISK INDICATOR 4

Product lines change frequently

New suppliers, revised specifications, updated components, or modified product features may require periodic classification reassessment.

Historical classifications may not always remain appropriate after product changes.

COMMON RISK INDICATOR 5

Historical entries have never been reviewed

Older entries may contain unnoticed inconsistencies that accumulate gradually over time.

Periodic internal review may help identify trends before future reassessment activity occurs.

AREAS COMMONLY REVIEWED

Typical preliminary reviews may include:

- HS classification consistency
- Product description alignment
- Broker filing consistency
- Technical specification verification
- Historical entry comparisons
- General duty exposure visibility

DISCLAIMER

This document is provided for informational purposes only and does not constitute legal advice or a formal customs ruling.

1RedKey Technologies Helping Canadian importers identify HS classification and duty risks.
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