



Memorandum D10-14-36

Ottawa, March 30, 2022

Tariff classification policy on ratchet drives

In brief

1. The editing revisions made in this memorandum are to further clarify what can be considered “adjustable” for the purposes of 82.04.
2. This memorandum has been updated to clarify the Canada Border Services Agency’s administrative policy regarding the classification of hand-operated spanners and wrenches.

This memorandum explains the Canada Border Services Agency’s administrative policy for the tariff classification of ratchet drives imported either individually or as parts of a socket set.

Legislation

Customs Tariff

82.04 Hand-operated spanners and wrenches (including torque meter wrenches but not including tap wrenches); interchangeable spanner sockets, with or without handles.

Guidelines and general information

Description

1. Ratchet drives consist of a steel bar with a “drive” at the working end. The “drive” is a small, rectangular or hexagonal metal “male” head that permits the attachment of the “female” part of spanner sockets. Typical drives are 1/4, 3/8, 1/2, 3/4 or 1-inch square, or 1/4, 3/8 or 1/2 inch hexagonal, each with a height approximately equal to its width.
2. The basic mechanism of the ratchet drive is the pawl and ratchet, which consists of a pivoting spike that engages with the ratchet wheel to allow motion in only one direction.
3. The other end of the ratchet drive is shaped like a handle to permit the ease of use. These may include: flex handles (breaker bars), ratchet handles, speed handles (crank handle drivers), spinner (straight comfortable grip) handles and T-handles.
4. Socket sets come in many different varieties. A basic set may consist of at least one driver (also known as a handle), several spanner sockets, and one or more extension pieces. Various components of socket sets combine to form wrenches and are thus fully functional hand tools. Socket sets are often associated with tool sets that are of a type used for automotive repair.

Tariff classification policy

5. Interchangeable spanner sockets with or without handles are named in the text of heading 82.04 specifically, subheading 8204.20. Item 2 in the Explanatory Note to heading 82.04 specifically provides that drives and extensions are also classified under subheading 8204.20.
6. Heading 82.07 provides for a wide range of interchangeable tools for hand tools, whether or not power-operated, or for machine-tools (for example, for pressing, stamping, punching, tapping, threading, drilling, boring, broaching, milling, turning or screw driving), including dies for drawing or extruding metal, and rock drilling or earth boring tools. The Explanatory Notes to 82.07 provide that the preceding headings of Chapter 82 provide for

hand tools ready for use as they stand, heading 82.07 provides for an important group of tools that are designed to be fitted into for example, hand tools, whether or not power-operated. While a ratchet drive appears to meet this Note, it is specifically provided for in heading 82.04 and cannot therefore be classified in 82.07.

Additional information

7. Heading 82.04 distinguishes between “adjustable” in 8204.12.00 and “non-adjustable” in 8204.11.00 for the purposes of “Hand-operated spanners and wrenches.” In AP-2020-012, *Entreprise Robert Thibert Inc.*, the Canadian International Trade Tribunal (Tribunal) determined that hand-operated spanners and wrenches of 82.04 can only be considered “adjustable” if it has a mechanism that adjusts the size of the spanner or wrench to fit a variety of nuts or bolts (example: adjustable jaws). If the spanner or wrench does not fit this definition of adjustable, they are to be considered non-adjustable.

8. Ratchet spanners remain classified as “non-adjustable” hand-operated spanners and wrenches in 8204.11 regardless of the fact that they contain a ratcheting mechanism.

9. For certainty regarding the tariff classification of a product, importers may request an advance ruling on tariff classification. Details on how to make such a request are found in Memorandum D11-11-3, *Advance Rulings for Tariff Classification*.

10. For more information, call contact the [CBSA Border Information Service](#) (BIS):

Calls within Canada & the United States (toll free): **1-800-461-9999**

Calls outside Canada & the United States (long distance charges apply):

1-204-983-3550 or 1-506-636-5064

TTY: **1-866-335-3237**

[Contact Us online](#) (webform)

[Contact Us](#) at the CBSA website

References	
Issuing Office	Trade Policy Division
Headquarters File	
Legislative References	<u>Customs Tariff</u> <u>AP-2020-012</u>
Other References	<u>D11-11-3</u>
Superseded Memorandum D	D10-14-36 dated November 28, 2020