



Australian Government

**Department of Immigration
and Border Protection**

Classifying Incomplete Vehicles

The Department of Immigration and Border Protection's Tariff Classification Guide on the classification of partially assembled or partially disassembled motor vehicles under IR2(a) 'Incomplete Vehicles'

NOTICE:

This publication is intended to provide guidance and information to the trade community. It reflects the position on, or interpretation of, the applicable laws or regulations by the Department of Immigration and Border Protection as of the date of publication, which is shown on the front cover. It does not in any way replace or supersede those laws or regulations. Only the latest official version of the laws or regulations is authoritative.

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What does this Guide cover?

This guide covers vehicles of Chapter 87 that include the chassis and more than one major subassembly or system (e.g. steering assembly, braking system, drive system etc.). It also covers such incomplete vehicles presented unassembled or disassembled. For clarification, the classification of bodies is also given.

Chapter 87 vehicles include passenger motor vehicles, goods vehicles, special purpose vehicles and motor cycles.

Chapter 87 Note 3 and Additional Note 2

3.- *Motor chassis fitted with cabs fall in headings 8702 to 8704, and not in heading 8706.*

Motor chassis with cabs are classified as complete motor vehicles under the appropriate heading out of 8702, 8703 or 8704.

Additional Note 2 to Chapter 87 clarifies that:

2.- *In this Chapter, a reference to a vehicle of a particular kind includes a reference to a vehicle of that kind presented without its motive power.*

For the purposes of Additional Note 2 to Chapter 87 the engine and gearbox supply the motive power to a vehicle. Therefore, this Additional Note requires that any reference to a vehicle is a reference to the vehicle with or without its engine and/or gearbox.

General Rule of Interpretation 2

Interpretive Rule 2(a) states:

2. (a) *Any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or falling to be classified as complete or finished by virtue of this Rule), presented unassembled or disassembled.*

This Interpretive Rule requires that any reference to a type of vehicle in a heading (or subheading) also refers to incomplete vehicles that have the essential character of a vehicle.

Interpretive Rule 2 also provides that references in headings to goods also refer to those goods disassembled or unassembled.

Any reference to a vehicle in Chapter 87 is a reference to:

- a vehicle with or without its engine and/or gearbox;
- a vehicle with or without its engine and/or gearbox, presented unassembled or disassembled;
- an incomplete or unfinished vehicle with or without its engine and/or gearbox, provided that the incomplete vehicle has the character of a vehicle rather than of parts;
- an incomplete or unfinished vehicle with or without its engine and/or gearbox, presented unassembled or disassembled, provided that the incomplete vehicle has the character of a vehicle rather than of parts.

Unassembled and disassembled includes knocked down vehicles and unassembled kit vehicles. These are treated as if they are assembled.

Assembled components which are classified in their own heading

Goods which can be correctly classified in the following two headings are not considered to be complete vehicles.

8706 - Chassis fitted with engines, for the motor vehicles of headings 8701 to 8705.

Chassis- frames or the combined chassis- body framework (unibody or monocoque construction) fitted with an engine are classifiable in 8706 if they are for a motor vehicle of headings 8701 to 8705. This includes goods where the engine, power train, brakes, steering system and wheels are mounted on a frame.

If the chassis-frame or chassis-body framework has a cab, even if the cab is incomplete, it is not classified here. These goods are classifiable as complete vehicles (see Chapter 87 Note 3).

In addition, 8706 does not cover goods that are either complete vehicles in this form (e.g. some tractors) or are substantially complete vehicles. Substantially complete vehicles will usually be classified as complete vehicles under Interpretive Rule 2.

8707 - Bodies (including cabs) for the motor vehicles of headings 8701 to 8705.

Bodies and driving cabs for vehicles are classified in 8707 if they are for vehicles of 8701 to 8705.

How do we assess the essential character of incomplete motor vehicles?

Essential character relates to the identity of the good.

A vehicle build that has reached the stage where it has sufficient features to define it as a vehicle, regardless of whether or not it is currently assembled, has the essential character of a vehicle.

Goods that have reached this stage will have become more than a part or sub-assembly to be added to a vehicle being assembled. Instead, they are an incomplete vehicle awaiting the addition of parts for completion.

A drive train, for example, is clearly dedicated for use in a vehicle, but it is still only a sub-assembly, a 'part', and not an incomplete vehicle. Being dedicated for use in a vehicle is not a basis for determining character.

The question of whether the good is driveable is also not the basis for determining character. A car or truck, for example, which is missing the battery, will not work but it is still clearly identifiable as a car or truck. The absence of such essential systems or parts simply indicates that the good is incomplete. However, the goods must possess those systems or parts that are central to the character of the goods.

The following goods are treated as complete vehicles under the direction of the legal Notes:

- a chassis *and* cab; or
- vehicles without engine and/or gearbox.

Other forms of substantially complete vehicles may also be treated as complete vehicles under Interpretive Rule 2(a). It is not possible to supply exhaustive examples of substantially complete vehicles in this guide. When importing partial vehicles, the state of the goods on importation needs to be considered in determining if they have the essential character of a vehicle.

Change record

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