



<b>Ruling Number:</b>	R23/24-0106
<b>Applicant:</b>	[REDACTED]
<b>Goods:</b>	New pneumatic tyres, of rubber: namely: Rovelo Ridgetrak A/T 275/55R20
<b>Composition:</b>	Rubber, steel, nylon, polyester, carbon black
<b>Form:</b>	Complete
<b>Tariff Heading(s) in contention</b>	40.11      New pneumatic tyres, of rubber:
<b>Applicant's opinion</b>	4011.10.09 11E or 4011.20.18 09F
<b>Findings:</b>	Agree with Applicant NO 'LT' marking:      4011.10.09 11E 'LT' marking:          4011.20.18 09F

## INTRODUCTION

- 1 The Applicant, [REDACTED] has applied for a Customs Ruling on a tariff classification under section 333(1)(a) of the Customs and Excise Act 2018.
- 2 The goods are new pneumatic tyres of rubber; namely Rovelo Ridgetrak A/T 275/55R20 (hereinafter referred to as "the goods").
- 3 In support of their application, the Applicant has provided:
  - Completed application form.
  - Product information.
  - Website link: <https://rovelotire.ca/en-ca/tires/ridgetrak-at/>

## APPLICANT'S SUBMISSION

- 4 The Applicant's opinion is that the goods are classified under tariff item 4011.10.09 11E or 4011.20.18 09F.

5 The Applicant also states:

*“These tyres are manufactured as SUV tyres. Previous Customs advice via website FAQ’s indicates that SUV vehicles are designed for the transport of persons therefore tyres for such vehicles would be deemed as tyres of a kind used on motor cars.*

*Some tyres are also intended for light trucks as indicated by LT against the product sizing. Tyres indicating LT therefore would be classified under 4011.20.18 09F for 20" (508mm) or 4011.20.12 19E for rim dia 360-495mm.” [sic]*

## THE GOODS

6 The goods are new pneumatic tyres, of rubber; namely Rovelo Ridgetrak A/T 275/55R20.

7 The codes on this tyre have the following meanings:

- Rovelo Ridgetrak A/T is the brand/product name.
- 275 – this is the width of the tyre, including the outer edge of the sidewalls in millimetres.
- 55 – this is the ratio between the height of the sidewall and the width of the tyre.
- R – stands for it being a radial tyre.
- 20 is the rim diameter in inches – which equates to 508 mm.

8 The website states that:

*“The Rovelo Ridgetrak A/T is designed to deliver superior traction for SUVs, pickups and vans both off and on the road. Approved for severe snow conditions and designed with the 3PMS Mountain/Snowflake symbol. The Ridgetrak A/T provides exceptional handling and on-and-off-road stability while maintaining a comfortable ride. The aggressive open shoulder tread design expels water, snow, slush and mud for optimum traction in all terrain conditions. Extra deep tread sipes at varying angles improves comfort without sacrificing traction.”*

9 An image of the tyre from the website information is extracted below:



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## THE TARIFF

- 10 New Zealand is a signatory to the International Convention on the Harmonized Commodity Description and Coding System (“the Harmonized System Convention”). The Working Tariff of New Zealand (the Tariff) implements this convention.
- The Tariff is divided into two parts. All imported goods must be classified, and the first part of the Tariff (Part I) is used for this classification. The second part of the Tariff (Part II) sets out if there are any concessions applicable to the goods.
- 11 Goods are classified within the Tariff in accordance with the General Rules for Interpretation of the Tariff (GRI). GRI 1 states that classification is determined according to the headings and any relative Section Notes or Chapter Notes. GRI 6 states that classification of goods in the subheadings, items and statistical keys of a heading is determined according to the terms of those subheadings, items and statistical keys and any related Subheading Notes or New Zealand Notes.

## LEGAL NOTES

- 12 There are no applicable Legal Notes.

## EXPLANATORY NOTES

- 13 There are no applicable Explanatory Notes.

## CLASSIFICATION RULES

- 14 Goods are classified within the Tariff in accordance with the General Rules for Interpretation of the Tariff (GRI).
- 15 There are six rules of interpretation, however for this ruling only GRI 1 and 6 are applicable.
- 16 GRI 1 provides that, for legal purposes, classification shall be determined according to the terms of the headings and any relative Section Notes or Chapter Notes.
- 17 GRI 6 provides that the classification of goods in the subheadings, items and statistical keys of a heading shall be determined according to the terms of those subheadings, items and statistical keys and any related Subheading Notes or New Zealand Notes.

## CLASSIFICATION OF GOODS

- 18 The goods are new pneumatic tyres, of rubber; namely Rovelo Ridgetrak A/T 275/55R20.
- 19 The first rule of tariff classification interpretation (GRI 1) provides that classification shall be determined according to the terms of the headings. The only heading under consideration is:

- Heading 40.11

*New pneumatic tyres, of rubber:*

## Heading 40.11

20 Tariff heading 40.11 is divided into three tariff subheadings, three tariff items with statistical key codes and two tariff items without statistical key codes at the one-dash level:

- |                |   |
|----------------|---|
| 4011.10        | - Of a kind used on motor cars (including station wagons and racing cars):            |
| 4011.20        | - Of a kind used on buses or lorries:   |
| 4011.30.00 00K | - Of a kind used on aircraft  |
| 4011.40.00 00C | - Of a kind used on motorcycles   |
| 4011.50.00 00G | - Of a kind used on bicycles  |
| 4011.70.00     | - Of a kind used on agricultural or forestry vehicles and machines                    |
| 4011.80.00     | - Of a kind used on construction, mining or industrial handling vehicles and machines |
| 4011.90        | - Other:  |

21 These tyres are not of a kind used on aircraft, motorcycles, bicycles, agricultural, forestry, construction, or mining vehicles.

22 This leaves three options: 'of a kind used on motor cars', 'of a kind used on buses or lorries' and 'other'.

23 The product information on the website (<https://rovelotire.ca/en-ca/tires/ridgetrak-at/>) shows that some of the tyre sizes covered by this product range are marked with 'LT', and some do not have that marking.

24 This particular tyre appears twice – once marked with an 'LT' and once marked without the 'LT'. As a result, this application will need to address both tyre types.

### Tyres without the 'LT' marking

25 The product information states that these tyres have a load/speed index of 117T i.e. the load capacity or maximum weight a tyre can carry and how fast the tyre can go with a full load and the right amount of air.

26 According to website <https://www.tyreteam.co.nz/tr-loadindex.html> this equates to 1285kg, and the 'T' stands for this tyre's maximum speed, which is 190km/h.

27 The website states that the tyre is an all-terrain tire for pickup trucks and SUVs. Those without the 'LT' marking appear to be more aimed at the SUV market.

28 Previous Customs advice states that SUV tyres are classified under 4011.10 as they are designed for the transport of persons.

- 29 As a result, tyres 'of a kind used on buses or lorries' and 'other' are eliminated from consideration.
- 30 Tariff subheading 4011.10 is divided into two numbered tariff items at the two-dash level:
- 4011.10.01 - - For use in the assembly of motor vehicles as may be determined by the Minister in accordance with Section 14 of this Act:
- 4011.10.09 - - Other:
- 31 These tyres will not be used in the assembly of motor vehicles; therefore, the goods fall under the 'other' tariff subheading of 4011.10.09.
- 32 This tariff item is divided into one numbered and one unnumbered statistical key code at the three-dot level:
- 01H . . . . Bias ply  
. . . . Radial ply:
- 33 These tyres are radial ply, so fall under the unnumbered statistical key code.
- 34 This is divided into two numbered statistical key codes at the four-dot level:
- 11E . . . . Steel belted  
19L . . . . Other
- 35 In an email the Applicant confirmed that these are steel belted tyres, so the goods fall under the statistical key code of 11E.

### **Tyres with the 'LT' marking**

- 36 The product information states that these tyres have a load/speed index of 120/117R i.e. the load capacity or maximum weight a tyre can carry and how fast the tyre can go with a full load and the right amount of air.
- 37 According to website <https://www.tyreteam.co.nz/tr-loadindex.html> this equates to 1400kg/1285km/h, and the 'R' stands for this tyre's maximum speed, which is 170km/h.
- 38 The website states that the tyre is engineered for pickup trucks and SUVs. Those with the 'LT' marking appear to be more aimed at the pickup truck market.
- 39 As a result of this 'LT' rating, the tyres are eliminated from being classified under the 'of a kind used on motor cars' category.
- 40 So, we are now left with two options: 'of a kind used on buses or lorries' and 'other'.

- 41 There is no definition within the Working Tariff, or supporting Explanatory Notes that describes a lorry. However, open-source research<sup>1</sup> states that 'truck' and 'lorry' are interchangeable terms.
- 42 As a result, in my opinion, these tyres are classified under tariff subheading 4011.20, and the 'other' category is eliminated as this can only be used if none of the preceding options can be considered to cover the goods.
- 43 Tariff subheading 4011.20 is divided into two unnumbered tariff subheadings at the two-dash level:
- - For use in the assembly of motor vehicles as may be determined by the Minister in accordance with Section 14 of this Act:
  - - Other:
- 44 These tyres will not be used in the assembly of motor vehicles; therefore, the goods fall under the 'other' unnumbered tariff subheading.
- 45 This tariff subheading is divided into two tariff items at the three-dash level:
- 4011.20.12 - - - Internal rim diameter less than 495 mm
  - 4011.20.18 - - - Other
- 46 These goods have an internal rim diameter of 20 inches or 508 mm. As a result, the goods fall under the 'Other' tariff item of 4011.20.18.
- 47 This tariff item is divided into two statistical key codes at the four-dot level:
- 01L . . . . Bias ply
  - 09F . . . . Radial ply:
- 48 These tyres are marked with an 'R' meaning that it is a radial ply, so fall under the statistical key code of 09F.

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<sup>1</sup> <https://www.autotrader.co.uk/trucks/content/what-s-the-difference-between-a-truck-and-a-lorry?refresh=true> and <https://en.wikipedia.org/wiki/Truck#:~:text=Truck%20is%20used%20in%20American,%2C%20Malaysia%2C%20Singapore%20and%20India> (both accessed 15/03/2024)

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## DECISION

49 The Rovelo Ridgetrak A/T 275/55R20 new pneumatic tyre, of rubber, is classified:

- In Tariff item 4011.10.09 11E if it is NOT marked with an 'LT' by application of GRIs 1 and 6 in the Working Tariff Document of New Zealand.
- In Tariff item 4011.20.18 09F it IS marked with an 'LT' by application of GRIs 1 and 6 in the Working Tariff Document of New Zealand.

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Peer reviewed by:



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SCO – Valuation, Origin and Classification

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Date: 17 May 2024

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