Ruling Report: Tariff Classification

Date of issue: 17 November 2025 Ref: R25/26-0053

Applicant	[redacted] ("the Applicant")
Goods	New pneumatic tyre, of rubber: namely: Kenda Klever MT2 K629 35x12.5R20LT 125Q
Composition	Rubber, nylon, polyester, steel mesh
Use	Tyre for vehicle
Form	Complete
Tariff headings in contention	40.11 New pneumatic tyres, of rubber:
Applicant's opinion	Tariff 4011.20.18 09F
Findings	Agree with Applicant Tariff 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: Kenda Klever MT2 K629 35x12.5R20 125Q (hereinafter referred to as "the goods").
3. In support of their application, the Applicant has provided a completed application form.

APPLICANT'S SUBMISSION

4. In their submission, the Applicant states that the goods are considered to fit within tariff item 4011.20.18 09F.
5. The Applicant states that:

   "REFER https:// automotive.kendatire.com/en-us/find-a-tire/onoff-road-off road/klever-mt/

   DESCRIBED AS OFF ROAD 4X4, THE KLEVER MT2 FALLS WITHIN THE MANFACTURERS CUV/LIGHT TRUCK CATEGORIES. SIZE SPECS SHOW LT AS INDICATIVE OF LGHT TRUCK. ACCORDINGLY 4011.20

AS THE TYRE SIZE IS 20" OR FOR RIMS EXC 495MM THE ACTUAL CLASSIFICATION WOULD BE 4011.20.18 09F." [sic]

THE GOODS

6. The goods are new pneumatic tyres, of rubber; namely Kenda Klever MT2 K629 35x12.5R20LT 125Q.

7. The goods on the website https://automotive.kendatire.com/en-us/find-a-tire/onoff-road-off-road/klever-mt2/ show the following:

PART NO.	SIZE	LOAD RANGE	INDEX	SPEED RATING	OVERALL DIAMETER	SECTION WIDTH	MAX LOAD	PSI	TREAD DEPTH (32NDS)	RIM WIDTH (IN.)	RIM WIDTH (MIN)	RIM WIDTH (MAX)	SIDEWALL	MSRP
629013	35x12.50R20LT	F	125	Q	34.80	12.10	3640	80	21	10.0	8.5	11.0	RRL	$693.50

8. The codes on this tyre have the following meanings:

   - **Kenda Klever M/T2** is the tyre brand name.
   - **35** – – this is the diameter of the tyre in inches.
   - **12.5** – this is the width of the tyre in inches.
   - **R** – stands for it being a radial tyre.
   - **20** – this is the rim diameter in inches – which equates to 508 mm.
   - **LT** – refers to it being rated for a light truck.
   - **125** – refers to the load index i.e. the load capacity or maximum weight a tyre can carry. According to website https://www.tyreteam.co.nz/tr-loadindex.html this equates to 1,650 kg.
   - **Q** – refers to the speed rating i.e. how fast the tyre can go with a full load and the right amount of air. According to website https://www.tyreteam.co.nz/tr-loadindex.html this equates to a maximum speed, which is 160 km/h.

9. The supplier's website describes the goods as:

   "Developed for maximum off-road traction, the Klever M/T2 is Kenda's second-generation mud terrain tire, engineered for enthusiasts who demand rugged durability, aggressive styling, and race-proven performance. Backed by years of development and testing across diverse terrains, the M/T2 is built to conquer mud, sand, rocks, and more while maintaining confident on-road handling…"

10. An image of the goods extracted from the website is shown below:

THE TARIFF

11. 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.

12. The Tariff is divided into two parts.

- Part I is the standard Tariff and sets out the classification of all goods in international trade together with the rates of duty on importation into New Zealand. All imported goods must be classified in a Tariff item under Part I of the Tariff.
- Part II sets out the concession categories under which the duty that would otherwise be levied under Part I of the Tariff may be reduced or waived.

13. 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

14. There are no Legal Notes applicable for this ruling.

EXPLANATORY NOTES

15. There are no Explanatory Notes applicable for this ruling

CLASSIFICATION RULES

16. Goods are classified within the Tariff in accordance with the General Rules for Interpretation of the Tariff (GRI).

17. There are six rules of interpretation, however for this ruling only GRIs 1, 3(c) and 6 are applicable.

18. 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.

19. GRI 3 provides that there are three methods for classifying goods which fall under two or more headings.

- The first method is 3(a) which provides for most specific heading being preferred to one of a more general description. However, if the headings each refer to part only of the materials or substances contained in the goods, then those headings are to be regarded as equally specific.
- The second method is 3(b) includes the provision for goods consisting of mixtures or composite goods consisting of different materials. In these cases, the goods are to be

classified as if they consisted of the material or component which gives them their essential character.

- The third method is 3(c) which states that if the goods cannot be classified under 3(a) or 3(b) then they are to be classified in the heading which occurs last in numerical order among those which are equally merit consideration.

20. 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

21. The goods are new pneumatic tyres, of rubber; namely Kenda Klever MT2 K629 35x12.5R20LT 125Q.

22. The first rule of tariff classification interpretation (GRI 1) provides that classification shall be determined according to the terms of the headings. The only tariff heading under consideration is:

    - Tariff heading 40.11

    New pneumatic tyres, of rubber:

TARIFF HEADING 40.11:

23. 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:

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

25. These goods are described as being *“Kenda’s second-generation mud terrain tire, engineered for enthusiasts who demand rugged durability, aggressive styling, and race-proven performance. Backed by years of development and testing across diverse terrains, the M/T2 is built to conquer mud, sand, rocks, and more while maintaining confident on-road handling.”*

26. The website lists the tyre with an 'LT' and the application form states that it is also described as an offroad 4x4.

27. Open-source research[1] states that this means it is a tyre compatible with 4x4 vehicles and light trucks and can carry and tow heavy loads. This is different from a 'P' or 'passenger' code which covers cars, SUVs and smaller pickup trucks.

28. Information already provided and available on the Customs website[2] has advised that SUV (which covers 4x4s) tyres are classified under tariff item 4011.10.09 which comes under the heading of 'of a kind used on motor cars', and ute tyres are classified under tariff subheading 4011.20 which covers 'of a kind used on buses or lorries'.

29. This leaves the options: 4011.10 '- Of a kind used on motorcars' and 4011.20 '- Of a kind used on buses or lorries'.

30. The goods are not of a kind used on buses, but we need to consider whether these tyres fall under the subheading 'of a kind used on buses or lorries' and whether a 'lorry' is the same as a 'light truck'. As we have determined that the goods will be covered by one of these two tariff subheadings there is no need to consider tariff subheading 4011.90 '- Other'.

31. There is no definition within the Working Tariff, or supporting Explanatory Notes that describes a lorry. However, open-source research[3] states that 'truck' and 'lorry' are interchangeable terms.

32. As a result, the subheading 'of a kind used on buses or lorries' is an option that needs to be considered further by this ruling.

33. GRI 6 provides that when determining the classification within a heading, GRI 1 to GRI 5 are to be reapplied (along with any relevant Section, Chapter or Subheading Legal Notes) to determine the classification of the goods and to make the comparison at the same level. The goods are prima facie (or when initially considered) classifiable under two one-dash subheadings, being 4011.10 "- Of a kind used on motor cars (including station wagons and racing cars) and 4011.20 "- Of a kind used on buses and lorries".

34. Therefore, the direction provided by GRI 3 must be considered in order to determine the classification of these goods.

35. The Explanatory Notes for GRI 3(a) provides the following guidance around the debate of specific vs general descriptions:

    - A description by name is more specific than a description by class; or
    - If the goods answer to a description which more clearly identifies them, that description is more specific than one where identification is less complete.

[1] https://www.tyroola.co.nz/guides/what-do-the-numbers-on-tyres-mean/

[2] https://www.customs.govt.nz/about-us/news/important-notices/fee-for-regulated-tyres-under-the-waste-minimisation-tyres-regulations-2023/

[3] 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

36. Both descriptions (4011.10 and 4011.20) would be considered a 'description by class' and so this cannot be used to determine classification. The discussion mentioned later in this report around GRI 3(c) was the primary discussion point and the addition of the argument around whether the goods would answer the description of 4011.20 was a late addition to the discussion and received minimal support. So, while the further question around GRI 3(a) was considered, it was ultimately deemed not convincing enough to resolve the debate between the two subheadings. Therefore, it is considered that GRI 3(a) does not resolve the debate and to progress onto GRI 3(b).

37. GRI 3(b) addresses mixed goods, composite goods and goods put up in sets for retail sale. While these goods are made from mixtures of materials (steel, rubber etc), the two subheading descriptions do not distinguish differences in the materials or the mixture of those materials. GRI 3(b) does include a clarifying statement "insofar as this criterion is applicable" and in this situation it is considered that GRI 3(b) is not applicable, so we must progress to GRI 3(c).

38. Applying GRI 3(c) on a mutatis mutandis basis, means that when the goods cannot be classified by reference to GRI 3(a) or 3(b), the goods will be classified under the subheading that occurs last in numerical order among those which equally merit consideration.

39. The question to ask is whether 4011.10 and 4011.20 have equal merit. Two outcomes to this question were considered:

- 4011.20 has greater merit than 4011.10:
    - 4011.20 covers buses and lorries. Truck and lorry are interchangeable terms.
    - Open-source research[4] identified that:

      "Light truck (LT) and passenger (P) tires are not interchangeable. Each type differs in its design, construction and intended applications. The automotive manufacturer took all of this into consideration when it specified the original equipment (OE) tires that came with your vehicle."
    - While these tyres may be used on SUVs, they are rated for their primary use, namely a light truck as they have an 'LT' rating, rather than a 'P' rating.
    - If 4011.20 is considered to have greater merit than 4011.10, then this results in the goods being classified under 4011.20.
- Both 4011.10 and 4011.20 have equal merit:
    - Open-source research has shown that these tyres are being used with SUVs in an offroad setting.
    - While the tyres were designed and labelled as 'LT', the tariff uses the descriptions 'of a kind used on motor cars' and 'of a kind used on buses or lorries'. These goods can be used by both an SUV and a light truck and so the goods would meet both descriptions.
    - If both subheadings have equal merit, then this results in the goods being classified under 4011.20 (as this is the subheading that is last in numerical order).

[4] https://www.synchrony.com/blog/automotive/light-truck-tires-vs-passenger-car-tires.html#:~:text=Light%20truck%20(LT)%20and%20passenger,that%20came%20with%20your%20vehicle.

40. After consultation with the Customs Technical Specialists of the VOC team regarding a previous ruling for tyres that carried the LT rating (R25/26-0051), it was decided that 4011.20 had greater merit, on the basis that:

- The primary vehicles that use LT tyres would be light trucks.
- For SUVs, the decision to fit LT tyres is influenced more by the operating environment than by the vehicle type itself. When an SUV is regularly driven in off-road or rugged conditions, the driver may opt for LT tyres due to their enhanced durability and load-bearing capacity. In such environments, LT tyres are recommended as they are better suited to withstand the demands of rough terrain.
- While it is acknowledged that these tyres can be used on an SUV (that would generally be considered to fall within the 'motor car' grouping), this usage is not deemed to have equal merit to the primary usage by light trucks.

41. 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:

42. These tyres will not be used in the assembly of motor vehicles; therefore, the goods fall under the 'other' unnumbered tariff subheading.

43. This tariff subheading is divided into two tariff items at the three-dash level:

4011.20.12	- - - Internal rim of less than 495 mm
4011.20.18	- - - Other

44. These tyres have an internal rim of 508 mm. As a result, the goods fall under tariff item 4011.20.18.

45. This tariff item is divided into two numbered statistical key codes at the five-dot level:

01L	. . . . . Bias ply
09F	. . . . . Radial ply

46. The letter 'R' in the code 35x12.5R20 indicates that the goods are a radial tyre, therefore they fall under statistical key code 09F.

DECISION

47. The Kenda Klever MT2 K629 35x12.5R20LT 125Q new pneumatic tyre of rubber, is classified within Tariff item 4011.20.18 09F by application of GRIs 1, 3(c) and 6 in the Working Tariff Document of New Zealand.

Report completed by:	**Peer reviewed by:**
Signature: [redacted]	Signature: [redacted]
Name: [redacted]	Name: [redacted]
Role: Senior Customs Officer	Role: Senior Customs Officer
Valuation, Origin and Classification	Valuation, Origin and Classification