



## **Advisory on Revamped Search HSN Code Functionality** **Issued by CBIC on 6<sup>th</sup> January 2022**

The Search HSN functionality was earlier given as a measure of facilitation to the taxpayer to search the Technical Description of any particular HSN code of any goods and/or service used in the Trade, *vis-a-vis* HSN description in the Customs Tariff Act, 1975. However, there are many instances of goods and services where descriptions commonly used in Trade in common parlance i.e. Trade description differ from the Technical descriptions otherwise provided in the HSN descriptions of the Customs Tariff Act, 1975 and the abovesaid functionality. Thus finding the corresponding HSN codes vis a vis a common description was a bit challenging for the taxpayer. (Note: Technical descriptions imply those descriptions which pertain to each and every HSN Code while Trade descriptions imply those descriptions which are used in common parlance by the trade/ businesses for various goods and services.)

To ameliorate this challenge and to make the functionality user friendly, 'Search HSN' functionality has been revamped by linking it with e-invoice database and Artificial Intelligence tools in the following ways:

1. The Search HSN Code functionality has been enhanced, where the taxpayers can search the HSN code and the applicable technical description through common parlance / trade description of the goods/ services as they are known in the Trade. It helps the taxpayers to search HSN Code by providing description/ part of a description.
2. The facility is **available at both pre-login and post login**. Taxpayers/users can access the same by the following navigation:

Home>Services>User services>Search HSN Code

3. Taxpayer can search HSN/ Description using either of the two options which are provided as radio buttons: (i) HSN and (ii) Description; either of which can be selected as per the requirement.
4. (i) a. Search of description on the basis of HSN: a. Taxpayer can search for any HSN Code pertaining to any goods and/or services.  
b. Only numbers are allowed to be entered in the search box if search is based on HSN.  
c. On entering of HSN in search box, five nearest possible descriptions would be shown in the auto-suggested dropdown relating to the said HSN.  
d. The taxpayers can then select the suggestion that may be most relevant to their case.
  - i. It may be noted that the drop down will be shown only when minimum three characters are entered in the search box, and;
  - ii. the maximum number of characters allowed in search box is eight.

- ii)
  - a. Search of HSN on the basis of Trade/ Commercial/ Technical Description: a. Taxpayer can search by way of entering both technical and/or trade descriptions of the requisite goods or services in the search box.
  - b. Once taxpayers select the 'Description' option, they are then required to select whether they want to search for goods or services.
  - c. On entering of description in the search box, five nearest possible HSN codes with descriptions will be shown in the auto-suggested dropdown relating to the said description.
  - d. The taxpayer can then select the relevant HSN and description pair.

**Note:** It may be noted that

- i) The drop down will be shown only when minimum three characters are entered in the search box.
  - ii) The maximum number of characters allowed in search box is till 40.
  - iii) Only Alphanumeric characters are allowed (0-9, A-Z).
  - iv) Special characters are NOT allowed in search box.
  - v) Taxpayers can also use a combination of words to search for the relevant goods or service
4. In the search results, the taxpayer will be able to view the top three most commonly used trade descriptions of the said goods or services in the database along with their respective technical descriptions.
5. Taxpayers can also view other HSN Codes related to the search. For instance, in case a 4-digit HSN code is searched, the related 6-digit and 8-digit HSN code will also be shown under "Other related HSN code(s)" in the resultant table. Similarly, in case a 6-digit HSN code is searched, the related 8-digit HSN code will also be shown. However, in case an 8-digit HSN code is searched, related HSN will not be shown in table as 8-digit code in itself is the most accurate. The related HSN Codes displayed in the resultant table are hyperlinked and taxpayer can click on the same to view further details of the said HSN.
6. In case taxpayers are not able to find HSN of any goods or services, then they can raise a ticket on GST Self-Service Portal (<https://selfservice.gstsystem.in>). Further, taxpayers can also download the list of the entire list of HSN Codes along with their technical descriptions in excel format by clicking on link 'Download HSN in Excel Format' available at bottom of page.

**Note :** It may be noted that

- i) The revamped search HSN tool algorithm is based on Artificial Intelligence and machine Language linked with e-invoice declaration database. Stated differently, the search tool machine the queried HSN or description with those used by other

taxpayers at the time of generation e-invoice. The facility therefore provides prevailing practice of HSN/description used by IRN-generation taxpayers.

- ii) The Technical Description and corresponding Commonly used Trade description displayed in the output of the 'Search HSN' functionality is as per the HSN description in the Customs Tariff Act, 1975 corresponding to the Trade description which are widely used by trade in general and are as per the declarations made by taxpayers at the IRN portal and the output displayed is dependent on the input provided by the user. These descriptions, as part of Search HSN facility, have been provided purely as a measure of Taxpayers' facilitation and are not legally binding on the GST department.
  
- iii) Though all efforts have been made to ensure the accuracy and currency of the Search HSN facility, the same should not be construed as a statement of law or used for any legal purposes or any litigation as a legal and binding advice from the GST department/GSTN. GSTN hereby expressly disowns and repudiates any claims or liabilities (including but not limited to any third party claim or liability, of any nature, whatsoever) in relation to the accuracy, completeness, usefulness of any information available through this facility, and against any intended purposes (of any kind whatsoever) by use thereof, by the taxpayer (whether used by taxpayer(s) directly or indirectly).