



GOVERNMENT OF PAKISTAN
MODEL CUSTOMS COLLECTORATE OF APPRAISEMENT (EAST)
CUSTOM HOUSE, KARACHI



C. No. (21)KAPE - (PCT) 2016

Dated: 27-03-2017

Public Notice No. CA /2017 (Classification)

Subject: **CLASSIFICATION OF POULTRY BY-PRODUCT MEAL**

FACTS:

Model Customs Collectorate, Port Muhammad Bin Qasim, Karachi, forwarded a reference for the classification of 'Poultry By-Product Meal', imported by M/s U.M Enterprises vide GD No. KPPI-GD-59041 dated 16-4-2016, declared under PCT heading 0505.9000. The Collectorate is of the view that goods are 'offal meal' classifiable under PCT Heading 2301.1000 on the basis of the lab test report. wherein, the sample is found to be preparation based on poultry bi-product of slaughter in association with animal oil and fatty materials which is in the form of brown colour heterogeneous fibrous mixture. The importer disagreed with the proposed classification under PCT Heading 2301.1000 on the grounds that the ingredients of the imported meal contain 63 – 68 % chicken feathers and 32 – 37 % of chicken heads, intestine and feet which product is appropriately classifiable under PCT Heading 0505.9000. Meeting of the committee held on 18-11-2016, 9-12-2016 and 3-2-2017.

PRODUCT ANALYSIS:

2. The imported product, as per declaration, is 'Poultry By-Product Meal' packed in 40 kg bags. According to data sheet from the supplier, the product comprises of remnants of chicken i.e. feathers (63% – 68%), feet (12% - 14%), heads (8% - 14%) and intestines (14% - 18%). On receipt of the reference from the concerned Collectorate, samples of same product were drawn from the fresh consignment of the importer as the same are from the same supplier and were sent to Industrial Analytical Center, H.E.J. Research Institute of Chemistry, Karachi for determination of the composition of the product. The Institute after analyzing the forwarded samples on AOAC and ASTM methods gave its report which described the product as to contain 53.31% protein, 9.10% ash and 37.12% oil content. Microscopic observation confirms that the

product is derived from poultry feathers and other wastage of poultry. Test report concludes that the product is a processed poultry waste material (poultry feathers, bone etc).

ISSUE:

3. Whether the imported 'Poultry By-Product Meal' is appropriately classified under HS Code 0505.9000 as claimed by the importer, under HS Code 2301.1000 as proposed by the clearance Collectorate or under any other relevant Heading of the First Schedule to the Customs Act, 1969 (Pakistan Customs Tariff)?

LAW AND ANALYSIS:

4. The Committee deliberated on the issue and observed that the HS code 05.05 covers:

- (1) Skin and other parts of birds (e.g., heads, wings) with their feather or down, and
- (2) Feather and parts of feather (whether or not with trimmed edges), and down,

Provided they are unworked, or merely cleaned, disinfected or treated for preservation, but not otherwise worked or mounted.

Further HS code 05.05 excludes, 'skins and other parts of birds, feathers and parts of feathers which have undergone working other than that permitted in this heading (e.g., bleaching, dyeing, curling or waving), or which have been mounted, and articles of feathers, etc.: these are generally classified in heading 67.01 (see the Explanatory Note thereto)'.

In the instant case, the product is processed beyond the permitted range of procedures like cleaning, disinfecting and preservation and is consisted of ingredients other than feathers and parts of feathers per se bones, heads and intestines which constitute 35% approx of the material other than skin or feather, therefore the Committee disregarded the HS Code 0505.9000 for this impugned product.

5. The Committee then considered the HS Code 23.01 which provides **flours, meals and pellets, of meat or meat offal, of fish or of crustaceans, molluscs or other aquatic invertebrates, unfit for human consumption; greaves**. It is observed that, according to ENs, the Heading covers:

flours and meals, unfit for human consumption, obtained by processing either the whole animal (including poultry, marine mammals, fish or crustaceans, molluscs or other aquatic invertebrates) or animal products (such as meat or meat offal) other than bones, horns, shells, etc. These products (obtained mainly from slaughter houses, floating factories which process fishery products, canning or packing industries, etc.) are usually steam-heated and pressed or treated with a solvent to remove oil and fat. The resultant product is then dried and sterilized by prolonged heating, and finally ground.

The impugned product, as per test report, consists of bones (head & feet) and also contains oil to the extent of 37%. Moreover, HS 23.01 covers 'Flour, meals and pellets', whereas; the product under consideration is a not a 'meal', rather; a kind of preparation which shall be used as an input material to be used in poultry feed. hence is outside the scope of HS Code 2301.1000 as per above-mentioned EN.

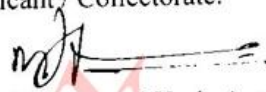
7. The Committee, then, considered the HS Code 23.09 which covers 'preparations of a kind used in animal feeding'. The Committee observed that GRI 1 provides that the classification of goods shall be determined according to the terms of the headings of the tariff schedule and any relative Section or Chapter Notes. The Chapter Note 1. of Chapter 23 prescribes that Heading 23.09 includes products of a kind used in animal feeding, not elsewhere specified or included, obtained by processing vegetable or animal materials to such an extent that they have lost the essential characteristics of the original material, other than vegetable waste, vegetable residues and by-products of such processing. The Committee concluded that in consideration of the terms of Heading 23.09 together with Chapter Note 1.- of the Chapter 23, the *impugned* product is classifiable under HS Code 2309.9020.

HOLDING:

8. In view of the above, the impugned product 'Poultry By-Product Meal' have characteristics / specifications as mentioned in para 2, being used in making of poultry feed, through application of GRI 1, is appropriately classifiable under HS Code 2309.2090.

9. This Classification Ruling is based on the product information provided by the importing company, concerned Collectorate and the lab-test report and shall be treated as

annulled, if it is found, at any subsequent stage, that the same was obtained by providing incorrect, false, misleading or incomplete information by the applicant / Collectorate.



(Muhammad Haris Ansari)
Additional Collector-II
Chairman Classification Committee

Distribution:

1. PS to Member (Customs), Federal Board of Revenue, Islamabad.
2. Chief Collector of Customs (Appraisalment-South), Custom House, Karachi.
3. Chief Collector of Customs (Enforcement-South), Custom House, Karachi.
4. Chief Collector of Customs (Central/North) Custom House, Lahore / Islamabad.
5. Director General, Intelligence & Investigation-FBR, Mauve Area-1, G-10/4, Islamabad.
6. Chief (Tariff), Customs Wing, Federal Board of Revenue, Islamabad.
7. Collector, MCC Appraisalment (East) / (West) / (Preventive), Custom House, Karachi.
8. Collector of Customs MCC, Port Mohammad Bin Qasim, Karachi.
9. Collector of Customs, MCC (Appraisalment/Preventive) Lahore.
10. Collector, MCC Hyderabad / Gawadar / Quetta/ Multan / Sambrial / Faisalabad / Islamabad / Peshawar / Gilgit-Baltistan.
11. Director, Directorate of Customs Post Clearance Audit, 3rd Floor, Custom House, 24 Mauve Area, G-9/1, Islamabad
12. Director, Directorate of Intelligence & Investigation (Customs), Karachi / Lahore / Faisalabad / Rawalpindi / Quetta / Peshawar.
13. Collector of Customs Adjudication I & II, Customs House, Karachi.
14. Collector, MCC (Adj/Appeals), Lahore / Faisalabad / Rawalpindi / Peshawar / Quetta.
15. M/s UM Enterprises, 18-C, 3rd Floor, Dolmen Estate Building, Block 7-8, Shaheed-e-Millat Road, Karachi-75350
16. Karachi Chamber of Commerce & Industry, Karachi.
17. Karachi Customs Agents Association, Custom House, Karachi.
18. Notice Board.
19. Master File.