



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



C. No. (KAPE-53) / (PCT)/2017

Dated: 07-10-2017

**Public Notice No. /2 /2017 (Classification)**

Subject: **CLASSIFICATION OF MIXTURE OF ESSENTIAL OIL**

**FACTS:**

Pursuant to the short order of the learned Customs Appellate Tribunal, Islamabad Bench in Appeal No. 21 / CU / IB / 2016, Model Customs Collectorate, Islamabad forwarded matter of the classification of the product 'mixture of essential oil (orange oil) for determination of appropriate PCT Heading.

**ISSUE:**

2. M/s Pepsi Cola International imported the product "Orange Terpenes Oil 17166 OTP" and claimed clearance under PCT Heading 3301.1200; whereas Collectorate is of the opinion that the same is classifiable under PCT Heading 3302.1010.

**PRODUCT ANALYSIS:**

3. As per declaration to Customs, the product is 'Orange Terpenes Oil 17166 OTP' imported by M/s Pepsi Cola International (Pvt.) Ltd, Pakistan from M/s R. C. Treat & Co. Ltd, UK. The Certificate of Analysis provided to the Classification Committee by the importing company, the product 'CE Orange Terpenes Purified 17166 OTP' has been described as under:

| Tests                           | Specification       | Result | Status  |
|---------------------------------|---------------------|--------|---------|
| Colour                          | Colourless          |        | In-Spec |
| Physical State                  | Clear Mobile Liquid |        | In-Spec |
| Limonene oxides by GLC (area %) | Maximum 0.25        | 0.05   | In-Spec |
| Myrcene + Octanal By Gle        | 1.00 - 3.00         | 1.85   | In-Spec |
| GLC conforms to standard        | PASS                | PASS   | In-Spec |
| Alpha pinene by GLC (area %)    | 0.10 - 1.00         | 0.11   | In-Spec |
| Para cymene by GLC (area %)     | Maximum 0.25        | 0.05   | In-Spec |
| Linalool by GLC (area %)        | Maximum 0.1         | 0.19   | In-Spec |
| Limonene by GLC (area %)        | 96.00 - 98.40       | 97.35  | In-Spec |
| O.R. @ 20 deg C (degrees)       | 94.0 - 102.5        | 101.6  | In-Spec |
| Organoleptic Assessment         | PASS                | PASS   | In-Spec |
| Refractive Index at 20 Deg C    | 1.4710 - 1.4740     | 1.4724 | In-Spec |
| Sensory Testing                 | PASS                | PASS   | In-Spec |
| Specific Gravity (20/20 deg/C)  | 0.838 - 0.848       | 0.843  | In-Spec |
| Taste                           | PASS                | PASS   | In-Spec |

#### LAW AND ANALYSIS:

4. The matter of classification of 'Orange Terpenes Oil 17166 OTP' came under discussion in the meeting of PCT Committee held on 4<sup>th</sup> April, 2017 and 14<sup>th</sup> October, 2017. The matter was referred to the Classification Committee by MCC Islamabad in pursuance of Appellate Tribunal order in case Appeal No. 21/CU/IB/2016. The Classification Centre vide letter dated 14<sup>th</sup> September, 2017, requested the Collectorate to send representative samples for further examination / chemical analysis. Model Customs Collectorate, Islamabad, informed vide letter C.No. SI/Misc/IDP/Appeal-21/83/16/12706 dated 21<sup>st</sup> September, 2017 that the samples will be drawn from any fresh consignment, as and when imported, and shall be sent accordingly. However, neither the representative samples, nor analysis certificate was provided by MCC Islamabad subsequently. MCC, Islamabad requested vide letter C. No. SI/Misc/IDP/Appeal-21/83/16/4778 dated 6<sup>th</sup> October, 2017 to expedite the decision since the learned Customs Appellate Tribunal has directed to procure report of the Classification Committee.

5. The Classification Committee, in the wake of afore-stated position, decided to proceed further on the basis of literature / material available on record. The Committee considered two HS Codes i.e. 33.01 and 33.02 as potential Headings for classification of impugned product. The terms of heading 33.01 provide:

Essential oils (terpeneless or not), including concretes and absolutes; resinoids; extracted oleoresins; concentrates of essential oils in fats, in fixed oils, in waxes or the like, obtained by enfleurage or maceration; terpenic by-products of the deterpenation of essential oils; aqueous distillates and aqueous solutions of essential oils.

Whereas, the terms of heading 33.02 cover:

Mixtures of odoriferous substances and mixtures (including alcoholic solutions) with a basis of one or more of these substances, of a kind used as raw materials in industry; other preparations based on odoriferous substances, of a kind used for the manufacture of beverages.

6. Explanatory Notes to HS Code 33.01 provide that essential oils, which serve as raw materials in the perfumery, food and other industries, are of vegetable origin. They are generally of complex composition and contain alcohols, aldehydes, ketones, phenols, esters, ethers and terpenes in varying proportions. These oils remain in the heading whether or not their fragrance has been modified by removal of their terpenes. Most of these oils are volatile, and the stain which they leave on paper usually disappears rapidly. They are obtained by various processes, such as Expression (e.g., lemon oil from lemon peel), Steam distillation, Extraction from fresh materials of vegetable origin by means of organic solvents (such as petroleum ether, benzene, acetone or toluene) or super-critical fluids (such as carbon dioxide gas under pressure) and Extraction from the concentrates obtained by enfleurage or maceration. As per ENs Extracted oleoresins, also known in trade as "prepared oleoresins" or "spice oleoresins", are obtained from natural cellular raw plant materials (usually spices or aromatic plants), either by organic solvent extraction or by super-critical fluid extraction. These extracts contain volatile

odoriferous principles (e.g., essential oils) and non-volatile flavouring principal (e.g., resins, fatty oils, pungency constituents), which define the characteristic odour or flavour of the spice or aromatic plant. The essential oil content of these extracted oleoresins varies considerably depending on the spice or aromatic plant. These products are used principally as flavouring agents in the food industry. The ENs further provide that the essential oils, resinoids and extracted oleoresins which have been merely standardized by the removal or addition of a portion of the principal ingredients remain classified in this heading provided the composition of the standardized product remains within the normal range found in that kind of product in its natural state. However, an essential oil, resinoid or extracted oleoresin which has been fractionated or otherwise modified (other than by the removal of terpenic hydrocarbons), so that the composition of the resulting product is significantly different from that of the original product, is excluded (generally heading 33.02). The heading further excludes products put up with added diluents or carriers such as vegetable oil, dextrose or starch (generally heading 33.02).

7. While commenting on the scope of Heading 33.02, ENs describe that this heading covers the following mixtures provided they are of a kind used as raw materials in the perfumery, food or drink industries (e.g., in confectionery, food or drink flavourings) or in other industries (e.g., soap-making):

- (i) Mixtures of essential oils.
- (ii) Mixtures of resinoids.
- (iii) Mixtures of extracted oleoresins.
- (iv) Mixtures of synthetic aromatics.
- (v) Mixtures consisting of two or more odoriferous substances (essential oils, resinoids, extracted oleoresins or synthetic aromatics).
- (vi) Mixtures of one or more odoriferous substances (essential oils, resinoids, extracted oleoresins or synthetic aromatics) combined with added diluents or carriers such as vegetable oil, dextrose or starch.
- (vii) Mixtures, whether or not combined with a diluent or carrier or containing alcohol, of products of other Chapters (e.g., spices) with one or more odoriferous substances (essential oils, resinoids, extracted oleoresins or synthetic aromatics), provided these substances form the basis of the mixture.

8. Foregoing law analysis in view, the Committee has observed that the Certificate of Analysis confirm the product as composed of greater than 90% (97.35%) "limonene by GLC (Gas-liquid chromatography)". As such in terms of the ENs to HS Code 3301 as discussed at para 6 above, the composition of the product is not changed or otherwise modified from the original products and since essential oils (terpeneless or not) are specifically covered under the HS Code 33.01, therefore, the product Orange Terpenes Purified 17166 OTP' is classifiable under PCF Heading 3301.1200, through application of GRI 1.

**HOLDING:**

2. The product 'Orange Terpenes Purified 17166 OTP' in application of GRI 1, is appropriately classifiable under PCT Heading 3301.1200. This Classification Ruling is issued in compliance of Appellate Tribunal order in case Appeal No. 21/CU/IB/2016 and is based only on the product literature provided by the importing company and concerned Collectorate 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.

(Mona Mehfooz)  
Additional Collector / Chairperson  
Classification Committee

**Distribution:**

1. PS to Member (Customs), Federal Board of Revenue, Islamabad.
2. Chief Collector of Customs (Appraisement-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-I, G-10/4, Islamabad.
6. Chief (Tariff), Customs Wing, Federal Board of Revenue, Islamabad.
7. Collector, MCC Appraisement (East) / (West) / (Preventive), Custom House, Karachi.
8. Collector of Customs MCC, Port Mohammad Bin Qasim, Karachi.
9. Collector of Customs, MCC (Appraisement/Preventive) Lahore.
10. Collector, MCC Hyderabad / Gawadar / Quetta / Multan / Sambrial / Faisalabad / Islamabad / Peshawar / Gilgit-Baltistan.
11. Director, Directorate of Customs Post Clearance Audit, 3<sup>rd</sup> 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. Secretary Customs Tariff-I, Federal Board of Revenue, Islamabad.
16. M/s Pepsi Cola International (Pvt) Ltd, 37-C-1, Gulberg-III, Lahore, Pakistan.
17. Karachi Chamber of Commerce & Industry, Karachi.
18. Karachi Customs Agents Association, Custom House, Karachi.
19. Notice Board.
20. Master File.