



GOVERNMENT OF PAKISTAN
Model Customs Collectorate of Appraisalment (East)
Custom House, Karachi

C.No.CC/01/2013(A)

Dated: 04.06.2015.

PUBLIC NOTICE NO. 14 /2015 (A)

Subject: **CLASSIFICATION OF AUTO RICKSHAW TYRES**

The Karachi Customs Clearing Agents Association (KCCA), Pakistan Tyres Importers & Dealers Association (PTIDA) and some of the importers of subject tyres approached the Collectorate to ascertain appropriate classification of "Auto Rickshaw Tyres" as the Customs have been classifying the item under PCT heading of 4011.4000 which according to them is not relevant PCT heading. The issue regarding classification of "Auto Rickshaw Tyres" came up under discussion before the Classification Committee of Custom House, Karachi on various dates and lastly on 21-05-2015.

2. **Issue :-** At present, classification of the Auto Rickshaw tyres is done under single dash heading 4011.4000, which as a matter of fact is specified for tyres of a kind used on motorcycles. The importers, KCCA and PTIDA contended that Auto Rickshaw Tyres are classifiable under HS Code 4011.9900. Another view point was that the goods are classifiable under HS Code 4011.1000. Hence following HS Codes were considered for classification of the item:

- (i). 4011.1000
- (ii) 4011.4000
- (iii) 4011.9900

3. **Description of goods:-** The under reference goods are tyres of three wheeler auto rickshaw. The well known examples of these three wheelers are auto rickshaw with gasoline engine or comparable CNG rickshaws (Rozgar, Tex Allied etc). The size of tyre is 4.00-8. It is quite different from motorcycle tyre which is of size 2.25-17. It is also not comparable with tricycle tyres (based on motorcycle mechanism and using motorcycle tyres).

4. **Classification Discussion:-** The under reference tyres of tri-wheeler rickshaw have been claimed under PCT 4011.9900 whereas Customs have been classifying them under PCT heading 4011.1000 & 4011.4000. The classification under HS is determined under General Rules of Interpretation of the Harmonized System. According to Rule 1 applied to under reference issue, clearly depicts that tyres of three wheelers-auto rickshaw are not classified in any such heading except the last basket heading as follows:-

PCT	Description	Can Auto Rickshaw tyres be classified here?
40.11	New pneumatic tyres of rubber	-
4011.1000	-of a kind used on motor cars (including station wagons and racing cars)	No as car is defined in explanatory notes to HS vide Page XVII-8703.1 as "the heading includes serial No. (1) Motor cars (e.g. limousines, taxis, sports cars and racing cars). Rickshaw is no comparable to any of above descriptions as it is neither limousine nor taxi nor sports car.
4011.4000	Of a kind used on motorcycles	No
4011.9900	Other	Yes

5. The terms of heading 4011.4000 depict tyres for motorcycles. Now there could be three questions.

- (i) Whether the three wheelers (Auto Rickshaw) and motorcycles are one and the same thing?
- (ii) Whether tyres for Auto Rickshaw and Motorcycles are of same size and are interchangeable? and
- (iii) Whether any Section Note or Chapter Note depicts that tyres of 4011.4000 meant for motorcycles are also useable by auto rickshaws.

6. As regards question (i) above, the HS nomenclature clearly demonstrates that both auto rickshaw and motorcycles are recognized as different products. Motorcycles are classified under PCT 87.11 whereas auto rickshaws are classified under four dash national sub-heading 8703.2115. There is no specific Section Note or Chapter Note to Chapter 87 depicting anything contrary to text of the headings 87.11 or 8703.2115. Therefore, provisions of Rule 1 will prevail and the classification of auto rickshaw and motorcycle will remain distinct in PCT 8703.2115 and in PCT 87.11 respectively as per reference of text of respective headings. Therefore, any reference to motorcycle means machines of PCT 87.11 only and this reference does not cover auto rickshaw by any means. Hence when PCT 4011.4000 depicts "tyres of a kind used on motorcycle" it only refers to those tyres which are useable with motorcycles only (and not with auto rickshaws).

7. Now, the question (ii) above, 'whether tyres for auto rickshaw and motorcycles are of same size and are interchangeable?' The following comparison of both the tyres shows that they are quite different:-

S. No.	Specification	Motorcycle Tyres	Auto Rickshaw tyres
1	Size	2.25 17	400-8
2	Rim & other specifications	With spikes and chain	With reverse gear and differential

8. The above comparison clearly depicts motorcycle tyre and auto rickshaw tyre are altogether different in size and specification and are not

interchangeable for use. Hence PCT 4011.4000 does not merit consideration as its scope is only limited to motorcycle tyres.

9. In addition to above, since none of the sequential headings/sub-headings cover auto rickshaw tyres from heading 4011.1000 to 4011.9400, due to being tyre of specific nature, therefore, all those tyres which cannot be classified in the above sub-headings for purposes of classification shall be covered by the heading occurring last in numerical order which in this case is two dash residual heading i.e. 4011.9900. Since this is residual heading and cover variety of products. Therefore, classification of auto rickshaw tyres is considered appropriate under PCT Heading 4011.9900 (others) in line with four dash national sub-heading 8703.2115 for rickshaw (CBU) created under residual heading "others".

10. Therefore, in view of the above-stated facts/observations, Rule 1 of the General Interpretative Rule (GIR), read with Rule 1 of Pakistan Rules further read with classification of **auto rickshaws (CBU)** under residual national sub-heading 8703.2115, the Committee concludes that the **Tyres for Auto Rickshaw** shall be classified under residual two dash sub-heading 4011.9900 which is most relevant with the description, specification and functions of the item and, at the top of it, not falling under sequential preceding headings and sub-headings of heading 40.11.

11. Since, the most appropriate and specific heading for the subject goods i.e. Tyres for Auto Rickshaw, is 4011.9900, no question arises for classification of the said goods under heading 4011.1000 and 4011.4000. Therefore, the Committee accords its consent that **tyres for auto rickshaw** are appropriately classified under HS Code 4011.9900.


(Muhammad Tahir)

ADC-II / Chairman PCT Committee

Copy for information:

- I. The Chief Collector of Customs (Appraisalment-South), Custom House, Karachi.
- II. The Chief Collector of Customs (Enforcement-South), Custom House, Karachi.
- III. The Chief Collector of Customs (Central/North) Custom House, Lahore / Islamabad.
- IV. The Director General, Intelligence & Investigation-FBR, Mauve Area-1, G-10/4, Islamabad
- V. The Chief (Tariff), Customs Wing, Federal Board of Revenue, Islamabad.
- VI. The Collector, MCC Appraisalment (East / West)/Preventive, Custom House, Karachi.
- VII. The Collector of Customs MCC, Port Mohammad Bin Qasim, Karachi.
- VIII. The Collector of Customs, MCC (Appraisalment/Preventive) Lahore.
- IX. The Collector, MCC Port Qasim/Hyderabad/ Gawadar/ Quetta/ Multan/ Sambrial/Faisalabad / Rawalpindi/ Peshawar/Gilgit-Baltistan.
- X. The Director, Directorate of Intelligence & Investigation (Customs), Karachi/Lahore/ Faisalabad / Rawalpindi/Quetta/Peshawar.
- XI. The Collector of Customs Adjudication I & II, Customs House, Karachi.
- XII. The Collector, MCC (Adj/Appeals), Lahore/Faisalabad/Rawalpindi/ Peshawar/ Quetta.
- XIII. The Secretary Customs Tariff-I, Federal Board of Revenue, Islamabad.
- XIV. M/s Pakistan Tyre Importers & Dealers Association , Head office 7/12 Rimpa Plaza, M.A. Jinnah Road, Karachi
- XV. The Karachi Chamber of Commerce & Industry, Karachi.
- XVI. The Karachi Customs Agents Association, Custom House, Karachi.
- XVII. All Concerned /Notice Board.