

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

No. 17(259)KAPE/DC(Classification)WebOC2014

Dated: 09-07-2014

Mrs. Nyma Batool,
Additional Collector (Preventive),
Airfreight Unit,
Allama Iqbal International Airport,
Lahore.

**SUBJECT:- REQUEST FOR CORRECT CLASSIFICATION OF GOODS IMPORTED
VIDE G.D. HC-LPAF-2997 DATED 07-08-2013- FTO COMPLAINT NO
01/LHR/CUS(01)07/2013**

Please refer to MCC (Preventive), Lahore's letter C. No. 04-APR/Misc/AFU/215/2013-14 dated 14-05-2014 on the above subject.

02. The subject case has been forwarded by Model Customs Collectorate (Preventive), Lahore for determination of tariff classification of NRCP2 Boards (cards incorporating electronic integrated circuits) in pursuance of orders of Federal Tax Ombudsman. As per the subject letter, the importers, M/s Industrial Engineering Concern, Lahore declared the goods under PCT heading 8542.9000 as parts of integrated circuits. The Collectorate classified the goods under PCT 8537.1090.

03 To examine this issue, meetings of the Classification Committee were convened on 20-05-2014, 03-06-2014 and 14-06-2014. However, no one attended the meetings on behalf of MCC(Preventive), Lahore or importer despite issuance of proper notices. The representative samples of goods were also not provided. MCC (Preventive), Lahore, vide letter C. No. 04-APR/Misc/AFU/215/2013-14/1005 dated 22-05-2015 sent copy of the literature of the disputed item provided by the importer. The importer, vide letter dated 23-05-2014 addressed to Classification committee, provided copies of quotation, purchase order, invoice and colour photograph of the item downloaded from a website.

04. The Classification Committee has examined the case on the basis of available record and in the light of relevant chapter/ section Notes as well as the explanatory notes of Harmonized System of World Customs Organization. It is observed that HS Code 85.37 in which the goods were initially assessed pertains to Switch Boards and Control Panels and since the imported goods are neither switch board nor control panels, hence the same are not covered under PCT

Code 85.37. The PCT Code 85.42 declared by the importer which relates to different types of ICs (Integrated Circuits). In this regard, exclusion of Explanatory Notes of HS Code 85.42 is pertinent, which is reproduced below:-

*“Except for the combinations (to all intent and purposes indivisible) referred to in the Parts (II) and (III) above concerning hybrid integrated circuits & multichip integrated circuits, the heading also **excludes** assemblies formed by:*

- (a) Mounting one or more discrete components on a support formed, for example, by a printed circuit;*
- (b) Adding one or more other devices, such as diodes, transformers, or resistors to an electronic microcircuit; or*
- (c) Combination of discrete components or combinations of electronic microassemblies other than multichip type integrated circuit.*

Such assemblies are classified as follows:

- (i) Assembles which constitute a complete machine or appliance (or one classified as complete), in the heading appropriate to the machine or appliance.*
- (ii) Other assemblies, in accordance with the provisions for the classification of machine parts (Note 2 (b) and 2 (c) of Section XVI, in particular).”*

As apparently the imported goods are mounted with various devices, the same are excluded from the scope of PCT heading 85.42 by virtue of above explanatory notes.

05. The available record suggests that the subject goods are Controllers for Industrial Air Conditioning Units and are to be considered as parts of Air Conditioning machines according to the Explanatory notes of heading 8415.9000 , reproduced below :

*“If presented as separate elements, the components of air conditioning machines are classified in accordance with the provision of Note (2) (a) to Section XVI (**headings 84.14, 8418, 8419, 8421, 8479, etc.**) whether or not they are designed for building into a self-contained unit.”*

“Other parts for Air Conditioning machines fall to be classified in their own appropriate headings in accordance with the provisions of Note 2 (b) or 2 (c) to Section XVI depending on whether or not they are identifiable as suitable for use solely or principally with those machines.”

06. Thus, after careful perusal of the available literature, import documents, available correspondence the subject goods are Cards NRCP232 GB 500372 EE, which are specially designed to work with Carrier Brand HVAC (Heat ventilation and Air Conditioning). The same

are specially programmed to work with a specific model of the carrier brand HVAC (38RA-140-B0075-PEE, S/N 12x91229x38RA, 080B0059-PEE, S/N 12X912307). The imported Cards are, therefore, appropriately classifiable under PCT Heading 8415.9099. The literature provided to the Classification Committee forms the basis of Committee's opinion as no representative samples were provided by the Collectorate.

Wajid Ali
o/c

(Wajid Ali)
Additional Collector-I
Chairman Classification Committee

Copy for information :

1. Collector, Model Customs Collectorate (East), Custom House, Karachi.
2. Collector, Model Customs Collectorate, Preventive, Custom House, Lahore.

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