

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

C.No.13 (31) MCC/KAPE/Classification/2013/537/East

Dated: 29.11.2014

PUBLIC NOTICE 15 OF 2014

Subject: CLASSIFICATION OF GOODS DECLARED AS POLYESTER PILE FABRICS

The Additional Collector of Customs, MCC Appraisement (West), vide letter bearing C. No. SI/Misc/31/2013-IV dated 28.12.2013, titled "Classification of goods declared as Polyester Pile Fabric", has referred a case to the PCT committee with details as appearing below:

2. M/S Sunrise International imported a consignment vide GD No.KAPW-HC-53661 dated 1.11.2013, of Pile Fabrics. It was declared as Polyester Blanket size double bed 2 ply (packing 426 bales X 36 pieces, 1 Bale X 20 pieces & 10 cartons X 6 pieces) declaring HS Code 6301.4000 @ 10% Customs duty & taxes. During the course of delivery of goods, the consignment was intercepted by the Directorate General of Intelligence and Investigation FBR, Karachi on the grounds that the goods are actually fabrics classifiable under PCT heading 5801.9000 and liable to be treated as Pile Fabric. The team of MCC Appraisement (West) comprising PA (R&D), PA(Gr.IV) and shed staff along with the staff of the Directorate General of Intelligence & Investigation-FBR, Karachi, examined the shipment on 22.11.2013. The team could not reach a consensus and two separate examination reports were submitted. The examination report submitted by the Directorate and Collectorate is as under:

(a) The examination report submitted by the Directorate stated that "*the consignment consisted of Polyester printed pile fabric in continuous length of 100ft and above, width 6.5ft with no defined demarcation for cutting (absence of weft threads not observed) in loosely packed than in bales*".

(b) The examination report submitted by the Collectorate stated that "*the consignment consists of polyester printed raised pile fabric for blanket in continuous length, having complete essential characters and printed demarcation for each piece of blanket. The representative sample forwarded to Custom House laboratory for confirmation of constituent material, as well as to concerned group*".

3. It was further explained in the letter of MCC Appraisement (West) that as per Rule 2 to General Rules for Interpretation "any reference in a heading to an article shall be taken to include a reference to that article incomplete or unfinished, provided that, as presented, the incomplete or unfinished article has the essential character of the complete or finished article. It shall also be taken to include a reference to that article complete or finished (or failing to be classified as complete or finished by virtue of this rule), presented unassembled or disassembled. Definition of made-ups given in sub-para (a) & (b) of Para 7 of section XI to the Explanatory Notes:

(a) *Cut otherwise than into squares or rectangles*

- (b) *Produced in the finished state, ready for use (or merely needing separation by cutting dividing threads) without sewing or other working (for example certain dusters, towels table cloths, scarf squares blankets);*
- (c) *Details provided in the explanatory note to chapter 6301 (Blankets & Travelling Rugs) The heading includes fabrics in the piece which, by the single process of cutting along defined lines indicated by the absence of weft threads may be converted into separate articles having the character of finished blankets or travelling rugs.*

4. The PCT Committee in its meetings held on 23.10.2014, scrutinized the details of the case, examined the sample placed before the Committee and perused the relevant sections of the Explanatory Notes. The sample as presented was that of *Polyester printed pile fabric in continuous length with defined printed demarcation for cutting*. The sample as presented did not qualify classification under the PCT heading 63.01 covering "Blankets and travelling rugs" on account of following reasons:

- (a) The sample as presented was akin to "woven pile fabric" composed of tight warp and weft forming the ground fabric and warp or weft forming the pile. The high piles consisted of loops (cut) over the entire surface, on one side only and a regular pattern of defined printed demarcation for cutting. It was appropriately classifiable under PCT heading 58.01 bearing description "woven pile fabrics and chenille fabrics, other than fabrics of heading 58.02 or 58.06"
- (b) The sample did not qualify the inclusions appearing under PCT heading 63.01 "Blankets and travelling rugs" given in Sub-Chapter I to Explanatory Notes as it is in continuous length with defined printed demarcation for cutting, which if cut along the printed demarcation, would still require adage of another piece of pile fabric of equal size to be stitched on to it to serve the purpose of double ply blanket. Moreover, by mere cutting along printed demarcation line, the pile fabric cannot be converted into a separate article having essential character of a blanket.
- (c) Note 7 to Section XI regarding "Textile & Textile Articles" of Explanatory Notes being referred to gives an explanation of the term made-ups. The impugned item cannot be termed as a made-up as it is not in a finished state i.e. ready for use without sewing or other working.

5. In light of the above facts, impugned goods are appropriately classifiable under PCT heading 5801.9000, in terms of rule 1 of General Rules for Interpretation.


(Zeba Bashir Ahmed)
Additional Collector I

Chairman Classification Committee

Copy for information to:

1. PS to Member (Customs), Federal Board of Revenue, Islamabad.
2. The Chief Collector of Customs (Appraisalment)/ (Enforcement) South, Custom House, Karachi.
3. The Chief Collector of Customs (Central)/ (North), Custom House, Lahore/Islamabad.

4. The Collector, MCC Appraisement (East)/ (West), Custom House, Karachi.
5. The Collector, MCC Port Muhammad Bin Qasim, Karachi.
6. The Collector, MCC Hyderabad, MCC Gwadar, MCC Quetta, MCC Appraisement Lahore, MCC Multan, MCC Sambrial, MCC Faisalabad, MCC Rawalpindi, MCC Peshawar, MCC Gilgit-Baltistan.
7. The Director, Directorate of Intelligence & Investigation (Customs), Karachi.
8. The Collector, Collectorate of Customs Adjudication I & II, Custom House, Karachi.
9. The Karachi Chamber of Commerce & Industry, Karachi.
10. The Karachi Customs Agents Association, Karachi
11. The Chemical Examiner, Custom House Laboratory, Karachi.
12. Notice Board.


29/11/13

(Zeba Bashir Ahmed)
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