

Government of Pakistan
Model Collectorate Customs (Appraisement-East),
Custom House,
Karachi

NO CC- 15/ 2013(A)

Dated: 21.01.2014

PUBLIC NOTICE NO. 7/2011 (A)

Subject: CLASSIFICATION OF PROBIOTIC

The matter of goods namely "Probiotic" imported by M/s Searle Pakistan (Pvt) Ltd Vide GD KAFU – HC- 31077 dated 27.11.2012, was referred by MCC Preventive, Custom House, Karachi to the Classification Committee for determining the correct classification. In this regard meetings of stakeholders were held on 20.06.2013 and 03.10.2013 in the Classification Centre, MCC Appraisement (East), Custom House, Karachi, wherein representatives of importers and the referring Collectorate appeared and presented their points of view.

2. The Committee has considered the arguments put forth by the importers and referring Collectorate and finding are as under:

a) Perusal of literature and points put forth during from the discussion, indicated that the imported item i.e. *IMUTEK* (trade name) is generically a "Probiotic" wherein combination of two bacterial strains, in therapeutic doses, is used / prescribed for strengthening the immune / defense mechanism of the human body. During the meeting, the following HS Codes were considered for purpose of classification of the impugned product:

Sr #	Proposed Heading	Description
i)	2106.9090	Other
ii)	3002.9090	Other
iii)	3821.0000	Prepared culture media for the development or maintenance of micro-organisms (including viruses and the like) or of plant, human or animal cells

b) The importer claimed classification of "*IMUTEK*" under PCT 3002.9090, on the grounds that these goods are in fact bacteria (in a biological medium) which when consumed in prescribed dosage confers a health benefit to the host. The literature shows that "*IMUTEK*" is a combination of two probiotic strains i.e. Lactobacilli (LGG) & Bifidobacteria (BB12) which, as per literature, augment / strengthen the body's immune system particularly against infection of the Respiratory and Gastro-Intestinal tracts. On the contrary, the clearance Collectorate was of the view that goods are classifiable under heading 2106.9090 on grounds that same is in fact a "dietary supplement" used exclusively for improving human health and as such was classifiable under PCT 2106.9090.

3. After going through the arguments put forth by both the sides, literature provided by the importers and explanatory notes, it is evident that the subject goods are cultures of micro-organisms (excluding yeast) found in milk derivatives such as yoghurt , lactic acid etc,

primarily having a prophylactic & therapeutic purpose. However the PCT heading proposed by the referring Collectorate i.e. PCT heading 2106.9090 covers goods that are mainly dietary supplements, which contain yeast-based micro-organism and apparently not relevant to the under reference goods. As regards tariff heading 3821.000, the chapter / section notes indicate the same is for goods that are used for development & maintenance of micro organism in laboratories i.e. culture media and accordingly also stand excluded as the imported goods are functionally different from those falling in this tariff heading.

4. Since the essential character of the product is that of "a culture of micro-organism" hence, the Classification Committee concluded that in line with GIR I, the imported item namely "IMUTEC" (having essential character of a probiotic) with therapeutic / prophylactic effect is to be classified against heading 3002 (subheading 3002.9090 due to absence of a specific heading in chapter 30 of the nomenclature).



Dr. Farooq Iqbal Qureshi
Chairman PCT Committee

Copy for information:

- 1) PS to Member (Custom), Federal Board of Revenue, Islamabad.
- 2) Chief Collector of Customs (Appraisal-South, 8th Floor, Custom House, Karachi.
- 3) Chief, Custom (Tariff & Trade), Federal Board of Revenue, Islamabad.
- 4) Secretary Customs Tariff-I, Federal Board of Revenue, Islamabad.
- 5) M/s Searle Pakistan (Pvt.) Ltd, Karachi.
- 6) Karachi Chambers of Commerce Industry, Karachi.
- 7) Karachi Customs Agents Association, 2nd Floor Burhani Terrace, opposite Custom House, Karachi.
- 8) All Concerned.
- 9) Notice Board.

Received



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