

GOVERNMENT OF PAKISTAN
MCC APPRAISEMENT (EAST)
CUSTOM HOUSE

C.No.9 (31)/KAPE/Classification/390/2013

Dated: 04.02.2015

PUBLIC NOTICE NO 06

SUBJECT: **CLASSIFICATION OF SCRAP OF EXHAUSTED / USED/
UNSERVICEABLE PRINTED CIRCUIT BOARDS**

A case has been referred to the Classification Committee for determination of classification of "Scrap of Exhausted / Used/ Unserviceable Printed Circuit Boards." Details of the case are as below:

2. A question has arisen as to the classification of goods, which were being exported with declared description "Plastic based computer scrap (in loose condition) under PCT heading 3915.9000. On examination, the goods were found to be "Scrap of electrical/electronic machinery parts consisting mainly of printed circuit boards of computers of different type", which were classified by the Collectorate under PCT heading 8548.9000, considering the following arguments:

- a) PCT heading 39.15 covers waste and scrap of plastic (of polymers of ethylene, of polymers of styrene, of polymers of polyvinyl chloride, of other plastics) whereas impugned goods are identifiable scrap of printed circuit boards, electrical connectors and other components attached therewith. As such the goods are not the waste of any of the polymers of plastic.
- b) In their present state, goods are in a heap and not presented in individual packing for retail sale having a specific part number for a specific machine of PCT 8471 and in their present state of being burnt, broken, incomplete and unserviceable, they are not suitable for use with machines of PCT heading 84.71.
- c) The heading 85.48 by virtue of application of Rule-I of GIR covers all electronics parts of machinery irrespective of their character and functions, not already specified elsewhere in the chapter will have to be classifiable in this heading.

3. The matter was referred to the adjudicating authority where the advocate of the exporter contested classification of these goods. The adjudicating authority has accepted the plea of the advocate and has ordered that goods are not to be classified under PCT heading 8548.9000 as these are classifiable under PCT heading 7112.9000

4. The Classification Committee held its meeting on 8.12.2014. The moot point before the Committee is whether waste and scrap of printed circuit boards is classifiable under PCT heading 3915.9000 or 7112.9900 or 8548.9000. Explanatory Notes to the three PCT headings were taken into consideration and are reproduced as below:

39.15 - Waste, parings and scrap, of plastics.

The products of this heading may consist of broken or worn articles of plastics, clearly not usable for their original purposes, or of manufacturing waste (shavings, dust, trimmings, etc.).

The heading **also excludes** waste, parings and scrap, of plastics, containing precious metal or precious metal compounds, of a kind used principally for the recovery of precious metal (**heading 71.12**).

71.12-Waste and scrap of precious metal or of metal clad with precious metal; other waste and scrap containing precious metal or precious metal compounds, of a kind used principally for the recovery of precious metal.

The heading also covers waste and scrap of any material containing precious metal or precious metal compounds, of a kind used principally for the recovery of precious metal.

It includes, in particular:

(E) Waste and scrap of electronic circuit boards and similar carriers containing precious metal (e.g. gold or silver).

85.48-Waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators; electrical parts of machinery or apparatus, not specified or included elsewhere in this Chapter.

(B) ELECTRICAL PARTS OF MACHINERY OR APPARATUS NOT SPECIFIED OR INCLUDED ELSEWHERE IN THIS CHAPTER

This heading also includes all electrical parts of machinery or apparatus, **other than:**

(a) Those suitable for use solely or principally with a particular machine or appliance.

Parts covered by an earlier heading of this Chapter or which are excluded by Note 1 to Section XVI.

This heading therefore covers articles which are identifiable as electrical parts of machinery or apparatus but **not** as parts of a **particular** machine or apparatus, and which incorporate electrical connections, insulated sections, coils, contacts or other specifically electrical elements.

5. The Collectorate's representative opined that the Appellate Forums decisions were based upon Test Reports of other countries. In Pakistan, even the most prominent laboratories like SGS lab, PCSIR, HEJ refused to give opinion about presence of precious metals in the printed circuit boards due to lack of capacity and

equipment in the laboratories. Moreover, he added that PCT heading 8548.9000 is a residual heading for electrical and electronic parts. The Classification Committee deliberated upon the material available on the website, http://expopromoter.com/events/131258/icece_international_conference_on_environmental_and_civil_engineering_2012/, which contains details on the International Conference on Chemical, Civil and Environment Engineering (ICCEEW '2012') held in Dubai in 2012, titled "Recovery of Gold, Silver, Palladium and Copper from Waste Printed Circuit Boards." It was mentioned in the study that; *"Almost all electrical components, PCBs contain relatively high amounts of precious metals compared to the other components. Gold, Silver, Copper and Palladium contributed to more than 91% of the total worth of metals found in PCBs"*. Besides, the factor which determines the essential character will vary between different kinds of goods. It may, for example, be determined by the nature of the material or component, its bulk, quantity, weight or value, or by the role of the constituent material in relation to the use of the goods.

6. In view of above available information and the fact that PCT heading 39.15 pertains to Waste, parings and scrap, of plastics and PCT heading 85.48 deals with Waste and scrap of primary cells, primary batteries and electric accumulators; spent primary cells, spent primary batteries and spent electric accumulators; electrical parts of machinery or apparatus, not specified or included elsewhere in this Chapter, the Classification Committee is of the opinion that the impugned goods do not qualify classification under these PCT headings. Since the PCB scrap comprises precious metals as important constituents occupying major share of value component, it is concluded that the "Scrap of Exhausted / Used/ Unserviceable Printed Circuit Boards" is most appropriately classifiable under PCT heading 7112.9900 in terms of Rule 3(b) to the General Rules for Interpretation.



(Zeba Bashir Ahmed)
Additional Collector I
Chairperson Classification Committee

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1. PS to Member (Customs), Federal Board of Revenue, Islamabad.

