



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



C. No: (855)/KAPE/PCT/2015

Dated: 13.12.2018

PUBLIC NOTICE No. 05/2018-MCC(E)

Subject: CLASSIFICATION OF WIFI PORTABLE LTE ROUTER R500 AND PORTABLE EVDO ROUTER MF 820

FACTS:

Model Customs Collectorate of Preventive Karachi, forwarded a reference to the Classification Committee for the classification of products imported by M/s Swift Biz Solutions (Pvt) Ltd. MCC Preventive Karachi is of the opinion that said products attract HS code 8517.6940 (i.e. Subscriber End Equipment), whereas importer is of the view that 8517.6930 (presently 8517.6270) is the appropriate HS Code (i.e. Routers). Said products imported by M/s Swift Biz Solutions (Pvt) Ltd. are as under:

- (i) WIFI portable LTE Router R500
- (ii) Portable EVDO Router MF 820

02. Meetings of the Classification Committee were held on 06.01.2017, 20.01.2017, 12.01.2018 and 01.10.2018.

ISSUE:

03. Whether the products i.e. Portable LTE Router R500 and EVDO Router MF 820 are classifiable under the importer's claimed HS code (i.e. 8517.6270) or under the HS code as proposed by the MCC Preventive Karachi (i.e. 8517.6940) or under any other relevant heading of the First Schedule to the Customs Act 1969 (Pakistan Customs Tariff).

PRODUCT ANALYSIS:

04. Both, MCC Preventive and the importer, agreed that the products are "routers", but the collectorate also contended that as the said routers are used by the end user for connectivity with the system, therefore, HS Code 8715.6940 (Subscriber End Equipment) is more appropriate for the purpose of classification.

05. Importer, M/s Swift Biz Solutions (Pvt) Ltd, on the other hand contended that they import telecommunication products (i.e. Portable LTE Router R500, EVDO Router MF 820 / MF 673) import of which is authorized by Pakistan Telecommunication Authority after lab testing and issuing Type Approval Certificates which categorize said products as "routers", therefore, HS Code 8517.6270 (Routers) is more appropriate for the purpose of classification.

06. For technical assistance, advice was sought from Pakistan Telecommunications Authority (PTA) vide letter dated 13.8.2018 to confirm correct description of the products under consideration, whether the same were "routers" or "subscriber end user equipments". Relevant remarks of Pakistan Telecommunication Authority, as contained vide Para 3 of letter dated 13.8.2018 are as under:

"As per technical evaluation of type approved model listed in Annex-A, the equipment is router with functionality to Rx and Tx data packets for connectivity."

07. Regarding the term "subscriber end user equipment", Pakistan Telecommunication Authority remarked that it was a vague term that is not used for technical categorization of terminal equipment. Thus in view of technical remarks of PTA, it can be concluded that the said products under consideration are both, "router" (because of functionality) as well as "subscriber end equipment" (because of being an equipment used by the end user), however the term "router" is more specific and technical where as the term "subscriber user equipment" is more general; as the term "subscriber end equipment" refers to all devices and equipments used by an end user, regardless of their functionality.

08. Thus, on the basis of functionality, technical evaluation and Type Approval issued by PTA, the products under considerations are routers having following categorization under the Type Approval Certificates:

Product		PTA's Type Approval
(i)	R500	LTE MiFi Router
(ii)	MF820	CDMA/EVDO MiFi Router

LAW & ANALYSIS:

09. The Classification Committee considered following HS Codes:

- i. 8517.6270 (Routers)
- ii. 8517.6940 (Subscriber End Equipment)

10. Above HS Codes are three dash headings, having following tariff structure:

Heading/Sub-heading	Description	
85.17	- Other apparatus for transmission or reception of voice, images, or other data, including apparatus for communication in a wired or wireless network (such as local or wide area network):	
	- - Machines for the reception, conversion, and transmission or regeneration of voice, images, or other data, including switching and routing apparatus:	
8517.9270		- - - Routers
	- - Other	
8517.6940		- - - Subscriber end equipment

11. The Committee analyzed the arguments of MCC Preventive and the importer, as well as technical remarks of PTA. The contention of MCC preventive is correct to the extent that

“routers” are “end user equipments”, but it is incorrect to claim that “all end user equipments” are only “routers” as PTA also issues Type Approvals i.e. “Wireless Access Points” for the products which are also end user equipments, but not routers. Similarly, “Set Top Box” is also an end user equipment which can be classified in PCT Heading 8517.9640 (Subscriber end equipment) but same is classified under 8517.6950 (Set top boxes for gaining access to internet) that is the specified HS Code for “Set Top Box”. Thus, HS Code 8517.9640 (Subscriber end equipment) is a general heading which covers all devices/equipments which are used by a subscriber/end user, regardless of the functionality of devices and any subscriber/end user equipment, not having a specific HS Code can be classified under heading 8517.9640 (Subscriber end equipment).

12. As per Rule 3(a) of General Rules of Interpretation for classification, the heading which provides more specific description, as presented, shall be preferred to the heading providing a more general description. In the instant case, “Router” is a more specific term and the heading 8517.6270 covers such devices which have the functionality of routers. Any other devices or equipments for end use, not having functionality of routers, cannot be classified in this heading, which makes heading 8517.6270 more specific for “routers”. On the other hand, HS Code 8517.6940 (Subscriber End Equipment) is more general as it covers all devices/equipments which are used by an end user, regardless of the functionality of devices. Thus, in view of more specific terms of heading, the products under consideration (R500 and MF 820) are appropriately classifiable under the HS Code 8517.6270 (Routers). Since the products can be classified by reference to the terms of heading according to rule 3(a), therefore, there is no need to resort to subsequent rules 3(b) and 3(c) of General Rules for Interpretation of Schedule 1.

HOLDING:

13. In view of above, the Committee holds that by virtue of Rule 3(a) of General Rules for Interpretation of Schedule 1, the products (i) WIFI portable LTE Router R500 and (ii) Portable EVDO Router MF 820 are classifiable under HS Code 8517.6270 (Routers) for being more specific heading.

14. The above decision (specific for R500 and MF 820 routers) is based upon the documents and information provided by the importer and the detail scrutiny of the PCT headings in the light of General Rules of Interpretation and Explanatory Notes. This decision shall be treated as annulled, if it is found, at any subsequent stage, that the same was obtained by providing incorrect, false, misleading or incomplete information by the applicant.


(Sheeraz Ahmed)
Additional Collector –III
Chairman Classification Committee

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