



GOVERNMENT OF PAKISTAN  
OFFICE OF THE CHIEF COLLECTOR APPRAISEMENT  
(SOUTH), 8<sup>TH</sup> FLOOR,  
CUSTOM HOUSE, KARACHI



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No. SI/MISC/ARD/11/2021

Dated: 20.09.2022

**ADVANCE RULING NO. 03/2022**

Subject: **APPLICATION FOR ISSUANCE OF ADVANCE RULING IN RESPECT OF AC CONVERTER SYSTEM NAMELY POWER CUBE 1000 UNDER SECTION 212B OF THE CUSTOMS ACT, 1969, READ WITH SRO 1213(I)/2020 DATED 11.11.2020**

M/s Huawei Technologies Pakistan (Pvt) Ltd, Islamabad vide application received on 20.06.2022 requested for the issuance of advance ruling on classification of "Power Cube 1000 V300R002C29" under Pakistan Customs Tariff in terms of Section 212B of the Customs Act, 1969 read with SRO 1213(I)/2020 dated 11.11.2020.

2. Meetings on the subject matter were held and hearing opportunities to applicant were given on 15.07.2022 and again on 20.09.2022 due to some missing documents, to present the case along-with literature / catalogue of the product. The hearings were attended by representatives of the applicant and their consultant M/s Masood Aziz & Associates.

3. The representatives of the applicant explained to the Advance Ruling Committee (hereinafter referred to as the Committee) about the technical specifications along with function of the product as elaborated hereunder:-

*"The product "Power Cube 1000 V300R002C29" hybrid power solution is used to convert AC current from the mains to 48 VDC output that is required to power the telecom sites as the telecom system works on DC load. The product Power Cube 1000 is used to supply uninterrupted longtime power backup, during frequent power outages. The system is imported in unassembled form as partial shipments comprising of following:-*

- i. 36 KW Rectifier Systems
- ii. Battery Cabinet fitted with Air conditioner
- iii. Lithium Batteries
- iv. Diesel Generator Control
- v. RMS Software"

4. The representatives explained that, as per their understanding, the equipment “Power Cube 1000 V300R002C29” being a converter falls under PCT heading 8504.4090 for “Static Converter” as the principal function of this device is to convert AC current from the mains to 48 VDC output that is required to power the telecom sites. Further, all the other components i.e. “Cabinet, 36 KW Rectifier Systems, Definitive Lithium Batteries, Diesel Generator Control and RMS Software” assist in achieving the function of Rectifiers, thereby attracting classification under PCT heading of 8504. The applicant relied on the legal provisions for classifying its product in terms of Section Note 4 of Section XVI and Para-1(xi) of Chapter-I of CGO 12/2002.

5. The Committee deliberated on the product in question in details. It was observed that the principle function of the equipment under question is to convert main 220V AC supply into DC supply for providing uninterrupted power to the hardware of the telecom sector at telecom sites. The Committee considered the definition of “Rectifiers” as mentioned in Part (II) of Explanatory Notes pertaining to heading 85.04 are as under:-

*“Rectifiers by which alternating current (single or polyphase) is converted to direct current, generally accompanied by voltage change”.*

6. Since the device also performs function of shifting to battery backup power in case of non-availability of mains, the Committee was of the view that the function of the device is akin to that of an un-interrupted power supply. The Committee considered the two sub-heading of 8504, i.e. 8504.4010 and 8504.4090. The heading 8504.4010 is restricted to those (UPS) having power rating upto 1.5 KVA. Since the applicant has confirmed that the equipment has power capacity of 36 KW, the Committee has held that the product in question “Power Cube 1000 V300R002C29” is classifiable under PCT heading 8504.4090 by virtue of Rule 1 and 3(a) of the General Rules of Interpretation.

7. The above ruling is specific to the product whose details / specifications have been given above. Further, the ruling is based on the documents including literature / catalogue provided by the applicant and 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.

8. An appeal against this ruling shall lie before the Member Customs (Policy) within 30 days of the issuance of the ruling in terms of Rule 797 of SRO 1213(I)/2020 dated 11.11.2020.

9. This Ruling is issued under Section 212B of the Customs Act, 1969 read with SRO 1213 (I)/2020 dated 11.11.2020.

**(Mushtaq Ali Shahani)**  
Secretary Advance Ruling Committee

**Copy for information to:**

1. Member (Customs Policy), Federal Board of Revenue, Islamabad.
2. Member (Customs Operations), Federal Board of Revenue, Islamabad.
3. The Chief Collector of Customs (Appraisalment) South, Custom House, Karachi.
4. The Chief Collector of Customs (Enforcement) South, Custom House, Karachi.
5. The Chief Collector of Customs (Appraisalment) Central, Custom House, Lahore.
6. The Chief Collector of Customs (Enforcement) Central, Custom House, Lahore.
7. The Chief Collector of Customs (North), Custom House, Islamabad.
8. The Chief Collector of Customs (Balochistan), Custom House, Quetta.
9. The Karachi Chamber of Commerce & Industry, Karachi.
10. The Federation of Pakistan Chambers of Commerce and Industry, Karachi.
11. The Karachi Customs Agents Association, Karachi.
12. M/s Huawei Technologies Pakistan (Pvt) Ltd, Islamabad
13. M/s. Masood Aziz and Associates.
14. Notice Board

**(Mushtaq Ali Shahani)**  
Secretary Advance Ruling Committee