



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



No.C-208/DC/KAPE/PCT/2022

Dated: 18.07.2023

**PUBLIC NOTICE NO. 13 /2023**

**SUBJECT: DETERMINATION OF CLASSIFICATION OF GLASS TUBINGS MEANT FOR MANUFACTURE OF AMPOULES.**

The Collectorate of Customs Appraisalment-East, Karachi vide letter No. Si/Misc/KAPE/741/2022-IV dated 02.08.2022 forwarded a reference for the determination of classification of glass tubing meant for manufacture of ampoules. Brief facts of the case as reported by referring Collectorate are that importers-cum-manufacturers (i.e. M/s. Bosch Pharmaceuticals (Pvt) Ltd, M/s. Techno Ampoules (Pvt) Ltd, M/s. Friends Glass (Pvt) Ltd, M/s. Indus Manufacturing (Private) limited and M/s. Sami Pharmaceuticals (Pvt) Limited) import glass tubing for manufacturing of ampoules under two PCT Codes (i.e. 7002.3200 and 7002.3910). The referring Collectorate further stated that importers of these goods agree that their imported goods are used for manufacturing of ampoules. However, importers contend that glass tubing having expansion upto  $5 \times 10^{-6}$  are classifiable under PCT Code 7002.3200 as such glass tubes comply with the parameters described under the said PCT Code, whereas those glass tubing having expansion more than  $5 \times 10^{-6}$  are classifiable under PCT Code 7002.3910.

2. The Board vide various communiqués (letters F.No.1(1)Tar-I/2017 dated 01.11.2022 & C.No.1(1) Tar-I/2023 dated 29.03.2023 directed the field formations to examine the issue for corrective measures, if and where applicable. The Collectorate of Customs Adjudication-II, Karachi vide letter C.No.Adj-II/Misc-Corr/Board/2022 dated 04.04.2023 referred the matter to the Classification Centre in terms of Para 2 of the Customs General Order No.12/2002 dated 15.06.2022 for determination of appropriate classification of impugned goods.

3. Multiple hearings of the case were convened and lastly on 13.04.2023 and 05.06.2023, which were attended on various dates by representatives of the importers and M/s. Ghani Global Glass Limited, departmental representatives from the Collectorate of Customs, Appraisalment-East, Karachi, representatives of Directorate of Post Clearance Audit (Customs) Karachi, the cases making agency in the under adjudication cases referred to above. and the members of the Classification Committee. The main contentions of various stakeholders are summarized as under:

**PLEASE CIRCULATE**

**ZAHID BASHIR CHAUDHRY**  
(General Secretary)  
Karachi Customs Agents Association





**A. The Collectorate of Customs, Appraisement-East, Karachi:**

- a) Glass tubing for manufacturing of ampoules are imported under two PCT Codes (i.e. 7002.3200 and 7002.3910);
- b) Importers contend that glass tubing having expansion upto  $5 \times 10^{-6}$  are to be classified under PCT Code 7002.3910 whereas those glass tubing having expansion more than  $5 \times 10^{-6}$  are classifiable under PCT Code 7002.3910.

**B. The Directorate of Post Clearance Audit:**

- a) Before imposition of RD w.e.f. 01.07.2021, the importers were classifying glass tubing meant for manufacturing of ampoules under PCT 7002.3910 (chemical resistive glass); however, after imposition of RD on the said PCT, many importers changed tariff classification to PCT 7002.3200 (heat resistive glass) to evade duty/taxes;
- b) Scheme of classification clearly established that heat resistive glass tubing is different from glass tubing meant for manufacture of ampoules as the latter requires chemical resistive glass or neutral glass to safely package pharmaceuticals and chemicals;
- c) Glass tubing meant for the manufacture of ampoules is made of chemical resistive glass that is called neutral glass. Chemical resistive glass has tougher surface and increased base-glass strength to safely withstand direct contact with and corrosion effect of pharmaceutical products and chemicals;
- d) Thermal or heat resistive glass has a very low expansion coefficient and a high melting point which enables such glass to resist thermal shock, hence suitable for glassware, kitchenware or cookware. Thermal or heat resistive glass is not suitable for pharmaceutical packing like ampoules and vials. Hard glass has the ability to be cleaned and sterilized repeatedly without losing any of its strength, resistance and transmission of accuracy while glass ampoules lack these properties;
- e) Tubing made of heat resistant and chemical resistant glass is very as it has both functionalities;
- f) PCT 7002.3100 classify glass tubing on the basis of constituent material, PCT 7002.3200 is meant for heat resistive glass, PCT 7002.3910 accommodates all kinds of neutral glass meant for ampoules manufacturing while PCT 7002.3990 will accommodate both chemical as well as heat resistive glass tubing.

**C. M/s. Ghani Global Glass Limited:**

- a) Neutral glass tubing for manufacturer of ampoules has been declared, assessed and released invariably under PCT Heading 7002.3910;
- b) Pakistan Customs Tariff provides particular HS Code 7002.3910 which sets forth the most appropriate and manifest description of subject item, i.e. "Neutral glass tubing of a kind used for the manufacture of ampoules. After the levy of Regulatory Duty on 7002.3910, the importers started importing Pharmaceutical Glass tubing in 7002.3200 PCT Heading;
- c) PCT 7002.3200 is only for Pyrex type of Glass having level of Boron content 12% to 13% (coefficient of Thermal Expansion), this glass is only suitable for lab wares tubes, heat exchanger, industrial applications, photo bioreactors and it is not commercially suitable for pharmaceutical packaging like ampoules and vials. High level of Boron content makes it excellent for heat resistant, making it excellent for lab wares and cooking wares. Moreover, such hard glass has the ability to be

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cleaned and sterilized repeatedly without losing any of its strength, resistance, transmission of accuracy. These qualities are not required in an ampoule.

**D. Pharmaceutical Importers:**

- a) Bare perusal of the terms of PCT Heading 7002.3200 reveals that the only criterion for classification of glass tubes under this heading is that if the 'tubes have a linear coefficient of expansion not exceeding  $5 \times 10^{-6}$  per Kelvin', and the same is irrespective of their end use. Only in case when the linear coefficient of expansion exceeds  $5 \times 10^{-6}$  per Kelvin, then PCT 7002.3910 would be attract;
- b) The Coefficient of thermal expansion is inversely related with heat resistance. The higher the coefficient of thermal expansion, the lower will be heat resistance;
- c) The relevant Explanatory Notes as well as Section & Chapter Notes do not have any exclusive distinguishable qualification whereby Glass Tubes for pharmaceutical packaging are separately classifiable in spite of their conformity with the terms of PCT Heading 7002.3200, - thereby Glass Tubes having CTE not exceeding  $5.0 \times 10^{-6}$  K per Kelvin within a temperature range of  $0^{\circ}\text{C}$  to  $300^{\circ}\text{C}$  shall remain classifiable under PCT Heading 7002.3200., irrespective of their end use;
- d) Renowned international manufactures and exporters, manufacture and export the most trusted high quality glass tubing for all parenteral packaging formats like ampoules, vials, syringes and cartridges for over a century and impugned imports are directly made from such world acclaimed manufacturers and exporters and HS Codes given in all invoices issued is 7002.3200 before and even after the imposition of RD. The HS Code provided by the suppliers is in line with the import declarations;
- e) Classifying Glass Tubing have a linear coefficient of expansion not exceeding  $5 \times 10^{-6}$  per Kelvin, under PCT Code 7002.3910 which is a basket heading, despite of the fact that HS Code 7002.3200 was clearly and conspicuously mentioned on the suppliers' invoices before the imposition of RD which can be verified from the Customs record, by importers was incorrect and mistake due to long standing practice of declaring and accepting the same by the Customs. In order to maintain distinction and avoid undue payment of RD and burden the general public, declarations had to be made in their correct and legal PCT headings in line with the scheme of HS and PCT Codes;
- f) For record sake, it is highlighted that those types of Glass Tubing having CTE not exceeding  $5.0 \times 10^{-6}$  K per Kelvin within a temperature range of  $0^{\circ}\text{C}$  to  $300^{\circ}\text{C}$  are being declared by the importers and assessed by the Customs under PCT heading 7002.3200 whereas all those Glass Tubes which have CTE exceeding  $5.0 \times 10^{-6}$  K per Kelvin within a temperature range of  $0^{\circ}\text{C}$  to  $300^{\circ}\text{C}$  are still being declared by the importers and assessed and cleared by Customs under PCT heading 7002.3910. Had there been any intension of mis-declaration of avoidance of RD, the importers would have resorted to declarations of all types of Glass Tubing under PCT heading 7002.3910 which is not the case;
- g) As per international standards for the purpose of pharmaceutical packaging, Type I, II & III Glass as per GMP are being used all over the world. Pharmaceutical Companies/Groups across the world including Pakistan, only accept Type I, II & III containers made out of special glass formulations according to international regulations like the USP or European Pharmacopeia. It is misnomers and misleading to equate that chemical resistance is directly connected to the CTE. In fact, the CTE of a glass has the most impact on heat/temperature resistance performance. The lower the CTE, the higher is the resistance against thermal



shock. As such, Type I Glass for pharmaceutical packaging has a CTE in the range of roughly  $3.3 \times 10^{-6}$  per K upto roughly  $7.0 \times 10^{-6}$  per K. Tubes having a CTE between these ranges will be invariably used in pharmaceutical packaging and classification thereof will be accordingly determined as per scheme laid down in Pakistan Customs Tariff, meaning thereby that Tubes have a linear coefficient of expansion not exceeding  $5 \times 10^{-6}$  per Kelvin, would be classifiable only under PCT Code 7002.3200 and Tubes have a linear coefficient of expansion above  $5 \times 10^{-6}$  per Kelvin, would be classified under PCT Code 7002.3910.

4. The Committee observed that the issue primarily related to the dispute of imposition and/or collection of Regulatory Duty on PCT heading 7002.3910 in terms of S.R.O. 840(I)/2021 dated 30.06.2021 and as superseded vide S.R.O.966(I)/2022 dated 30.06.2022. However, the Committee decided to proceed for determination of classification and peruse the relevant provisions of law dealing with the HS Classification.

5. The Classification Committee considered the arguments and stance of both sides and examined the documents put forth and perused the relevant provisions of law dealing with the HS classification. Classification of any imported goods under Pakistan Customs Tariff is determined under the General Rules for the Interpretation (GIR) of First Schedule to the Customs Act, 1969. The Committee considered the PCT headings relied upon by the importers, the referring Collectorates and others. The Committee observed that the scheme of HS Code 70.02 is reproduced below:

HS Code	Description
<b>70.02</b>	<b>Glass in balls (other than microspheres of heading 70.18), rods or tubes, unworked.</b>
7002.10	- Balls
7002.20	- Rods
	- Tubes:
7002.31	- - Of fused quartz or other fused silica
7002.32	- - Of other glass having a linear coefficient of expansion not exceeding $5 \times 10^{-6}$ per Kelvin within a temperature range of 0°C to 300°C
7002.39	- - Other:

6. The Classification Committee further observed that the above scheme suggests that Glass in Tubes are classifiable under three categories as under:

HS Code	- Tubes:
7002.31	- - Of fused quartz or other fused silica
<b>7002.32</b>	<b>- - Of other glass having a linear coefficient of expansion not exceeding <math>5 \times 10^{-6}</math> per Kelvin within a temperature range of 0°C to 300°C</b>
<b>7002.39</b>	<b>- - Other:</b>

7. The Committee noted that it was evident that at the 6-digit (two dash) international level, HS Code 7002.32 and 7002.39 are comparative equal level headings, whereas under the

Category of 'Other', the legislature has created national PCT headings at national 8-digit (three dash) level as detailed hereunder:

	-- Other:
7002.3910	- - - Neutral glass tubing of a kind used for the manufacture of ampoules
7002.3920	- - - Glass tubing of a kind used for shell blowing, flare and exhaust solely or principally used by fluorescent tube, bulb and auto bulb industry
7002.3990	- - - Other

8. The Committee observed that classification of any imported goods is determined under General Rules of Interpretation. The Committee considered Rule 1 & 6 which are reproduced as under:

**Rule 1**

*"The titles of Sections, Chapters and Sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes and, provided such headings or Notes do not otherwise require, according to the following provisions."*

**Rule 6**

*"For legal purposes, the classification of goods in the subheadings of a heading shall be determined according to the terms of those subheadings and any related Subheading Notes and, mutatis mutandis, to the above Rules, on the understanding that only subheadings at the same level are comparable. For the purposes of this Rule the relative Section and Chapter notes also apply, unless the context otherwise requires."*

9. The Committee observed that classification of goods is to be determined primarily according to the terms of the headings and any relative section or chapter notes. Only after headings have been determined, subheadings are to be determined as per the terms of those subheadings. Sub-headings are not to be compared with headings, or sub-headings of dissimilar level.

10. The Classification Committee also consulted literature available on internet and also considered Explanatory Notes to HS Code 70.02 and did not find any legal or physical/chemical bar that all types of neutral glass tubing for manufacturing of pharmaceutical ampoules are to be invariably classified under HS Code 7002.39 only. The Explanatory Notes under HS Code 70.02 are reproduced as under:-

*This heading covers :*

- (1) Solid glass balls, which are generally manufactured by moulding or pressing or on double-screw machines, and which may be used, inter alia, as raw material for the production of fibre, or for the preparation of lithographic plates.
- (2) Glass rods and tubing of various diameters, which are generally obtained by drawing (combined with blowing in the case of tubing); they may be used for many purposes (e.g., for chemical or industrial apparatus; in the textile industry; for further manufacture into



thermometers, ampoules, electric or electronic bulbs and valves, or ornaments). Certain tubes for fluorescent lighting (used mainly for advertising purposes) are drawn with partitions running through the length.

This group includes "enamel" glass, in bars, rods or tubes ("enamel" glass is defined in the Explanatory Note to heading 70.01).

Balls of this heading must be unworked; similarly rod and tubing must be unworked (i.e., as obtained direct from the drawing process or merely cut into lengths the ends of which may have been simply smoothed).

The heading excludes balls, rod and tubing made into finished articles or parts of finished articles recognisable as such; these are classified under the appropriate heading (e.g., heading 70.11, 70.17 or 70.18, or Chapter 90). If worked, but not recognisable as being intended for a particular purpose, they fall in heading 70.20.

This heading includes tubes (whether or not cut to length) of glass which has had fluorescent material added to it in the mass. On the other hand, tubes coated inside with fluorescent material, whether or not otherwise worked, are excluded (heading 70.11).

Glass balls having the character of toys (veined glass marbles put up in any form, and glass balls of any kind put up in packets for the amusement of children) are classified in heading 95.03. Glass balls, which have been ground after shaping, used for stoppering certain bottles fall in heading 70.10.

The heading also excludes the spherical glass grains (microspheres, not exceeding 1 mm in diameter) used, for example, for the manufacture of panels for road signs, reflecting signs or cinema screens, or in the cleaning of aeroplane jet engines or metallic surfaces (heading 70.18).

11. The Classification Committee considered as to whether pharmaceutical ampoules can be manufactured from Glass tubing having a linear coefficient of expansion not exceeding  $5 \times 10^{-6}$  per Kelvin within a temperature range of 0°C to 300°C. In this regard, it was observed that there was no physical or chemical inhibition, impediment or incapability to manufacture pharmaceutical ampoules from such glass tubing. The linear coefficient of expansion indicates how much a material expands or contracts when its temperature changes. The low coefficient of expansion exhibits minimal dimensional changes when subjected to temperature variations. A linear coefficient of expansion of  $5 \times 10^{-6}$  per Kelvin means that for every 1-degree increase in temperature, the glass will expand by  $5 \times 10^{-6}$  of its original size per degree. Glass with a low coefficient of expansion is preferred because it minimizes the risk of cracking or breaking when exposed to temperature variations. By selecting glass with such a low coefficient of expansion, manufacturers ensure that the ampoules can withstand the temperature changes encountered during their production, storage, and use within the specified temperature range of 0°C to 300°C. This helps maintain the integrity of the container and its contents and ensures that they do not break or leak due to thermal stress. As such Glass tubing having a linear coefficient of expansion not exceeding  $5 \times 10^{-6}$  per Kelvin within a temperature range of 0°C to 300°C are considered more suitable and preferable types of glass tubing.

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12. The Committee considered as to whether it is commercially unviable to manufacture ampoules from Glass tubing having a linear coefficient of expansion not exceeding  $5 \times 10^{-6}$  per Kelvin within a temperature range of 0oC to 300oC. The Committee observed that a number of renowned and internationally acclaimed manufacturers, under good manufacturing practices, are producing glass tubing having a linear coefficient of expansion not exceeding  $5 \times 10^{-6}$  per Kelvin within a temperature range of 0oC to 300oC, under stringent regulatory framework of their countries, for manufacture of pharmaceutical packaging material and ampoules for ensuring safety, sanctity and integrity of container and its contents.

13. The Classification Committee noted that the referring Collectorate has been continuously accepting the both declared PCT headings of glass tubing (7002.3200 & 7002.3910) imported by pharmaceutical manufacturers of ampoules and assessing and clearing *Glass tubing having a linear coefficient of expansion not exceeding  $5 \times 10^{-6}$  per Kelvin within a temperature range of 0oC to 300oC* under PCT heading 7002.3200, whereas those which do not qualify the specification of such PCT heading, are being assessed and cleared under the PCT heading 7002.3910. The referring Collectorate has not disputed such declarations and even in their instant reference, the referring Collectorate did not contest the declarations made by the pharmaceutical importers. It was further noted that in a communique, the referring Collectorate endorsed the declarations and classifications of impugned goods and that in view of feedbacks from field formations and in-house considerations/deliberations, the PCT heading 7002.3200 has also been subjected to Regulatory Duty under S.R.O.775(1)/2023 dated 27.06.2023. Needless to mention that no other Clearance Collectorate has also disputed classification on the subject matter and/or referred the matter to Classification Centre.

14. The Classification Committee is of the view that in the light of GIR Rule 1 and 6, '*Neutral glass tubing of a kind used for the manufacture of ampoules, having a linear coefficient of expansion not exceeding  $5 \times 10^{-6}$  per Kelvin within a temperature range of 0oC to 300oC having*' is appropriately classified under PCT Heading 7002.3200, whereas '*Other Neutral glass tubing of a kind used for the manufacture of ampoules having a linear coefficient of expansion exceeding  $5 \times 10^{-6}$  per Kelvin within a temperature range of 0oC to 300oC*' is appropriately classified under PCT Heading 7002.3910.

15. The above classification determination is specific to the product whose details/specifications have been given above. Further, the ruling is based on the documents, literature and information provided by the referring Collectorate/importer 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.



**(Mushtaq Ali Shahani)**

Additional Collector of Customs/  
Chairman Classification Committee

**Copy for information to:**

1. The Member Customs (Policy / Operations), Federal Board of Revenue, Islamabad.
2. The Member (Customs Legal & Accounting), Federal Board of Revenue, Islamabad.
3. The Member (FATE), Federal Board of Revenue, Islamabad with the request to kindly publish this ruling on FBR website.
4. The Chief Collector of Customs (Appraisalment) South, Custom House, Karachi.
5. The Chief Collector of Customs (Enforcement) South, Custom House, Karachi.
6. The Chief Collector of Customs (Appraisalment) Central, Custom House, Lahore.
7. The Chief Collector of Customs (Enforcement) Central, Custom House, Lahore.
8. The Chief Collector of Customs (North), Custom House, Islamabad.
9. The Chief Collector of Customs (Balochistan), Custom House, Quetta.
10. The Collectorate of Customs, Appraisalment (East/West/PMBQ), Karachi.
11. The Director, Reforms and Automation (R&A), Custom House, Karachi with the request to incorporate this ruling in WeBoC.
12. The Project Director, WeBoCGlo, Custom House, Karachi for necessary action.
13. The Collectorate of Customs, Appraisalment-East, Customs House, Karachi.
14. The Collector, Collectorate of Adjudication-II, Customs House, Karachi.
15. M/s Ghani Global Glass Limited, Corporate Office, 10-N, Model Town, Ext. Lahore.
16. M/s Indus Manufacturing (Pvt), Ltd, Plot No.28, Sector No.23, Korangi Industrial Area, Karachi.
17. M/s Techno Ampoules (Pvt) Ltd. ID-14, Sector 30, Korangi Industrial Area, Karachi.
18. M/s Friends Glass (Pvt) Ltd, Plot No.191/2, L-10, Industrial Estate, Gadoon Amazai, District Swabi
19. M/s Sami Pharmaceuticals (Pvt) Limited, 34-C, Block 6, P.E.C.H.S, Karachi.
20. M/s Bosch Pharmaceuticals (Pvt) Ltd, Plot No.209, Sector-23, Korangi Industrial Area, Karachi.
21. M/s Lincoln Law Associates, 1<sup>st</sup> & 2<sup>nd</sup> Floor, 13-C, Khayaban-e-Muslim, Phase VI, DHA, Karachi.
22. The Federation of Pakistan Chambers of Commerce and Industry, Karachi.
23. The Karachi Chamber of Commerce & Industry, Karachi.
24. The Karachi Customs Agents Association, Karachi.
25. Notice Board.

**(Mushtaq Ali Shahani)**

Additional Collector of Customs/  
Chairman Classification Committee



24/07/2023