G0VERNMENT OF PAKISTAN
REVENUE DIVISION
CENTRAL BOARD OF REVENUE
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C.NO.3(1)/TAR.II/97 Islamabad, the 12th April, 1999.

CUSTOMS GENERAL ORDER NO. 07/99

Subject :- CLASSIFICATION OF TRANSPORT VEHICLES

Several references regarding classification of vans, buses and other transport vehicle have been made to the CBR by various Custom Houses as well as the importers. In order to classify such vehicles, the following guidelines should be followed:

i) The term of buses and coaches for the purposes of classification in heading 87.02, should be considered synonymous, Those vehicles which are designed by the manufacturer for the transport of 26 or more persons including the driver, should be classified in sub-headings 8702.1011,872.1021,8702.1091,8792.9010 as buses or coaches. These are at present leviable to 35% customs duty and 15% sales tax.

ii) Vehicles which are designed by the manufacturer for the transport of 10 or more persons including the driver, but less than 26 persons should be classified in sub-headings 8702.1019,8702.1029,8702.1099 and 9702.9090. These are at present leviable to 60% Customs duty & 15% sales Tax.

This category includes the following vehicles:

a) those fitted with 10 or more seats, by the manufacturer, including the driver's seats but excluding the jump seat which is foldable and smaller in size.

b) those having less than 10 seats but designed by the manufacturer for the transport of ten or more persons including the driver. For this category, if the classification is claimed under heading 87.02. then the importer should be asked to produce a certificate from manufacturer that the vehicle is for the transport of 10 or more persons including the driver.

In case the vehicle is luxuriously designed for transport of 9 persons or less including the driver and has accordingly been factory fitted with less than 10 seats, it should be classified in heading 87.03 irrespective of the fact that vehicle can be used for transportation of more than 9 persons including the driver.

(c) vehicles originally designed by the manufacturer for less than 10 seats but which are subsequently fitted, through modification with more than 10 seats, should be classified in heading 87.03 irrespective of the fact that vehicle can be used for transportation of more than 9 persons including the driver ;

iii) Panel vans having seating capacity of upto 3 persons including the driver, fitted with steel/glass panels on both sides which are designed primarily for the transport of goods are to be classified in heading 87.04. These are at present leviable to 60% customs duty and 15% Sales Tax.

iv) Vehicles which can transport upto five people, including the driver and have space at the back of passenger compartment for transporting goods, are to be classified in heading 87.03. Such vehicles normally have three glass windows on each side and a rear window. These vehicles, which have engine capacity of more than 1800 cc, are at present leviable to 225% customs duty and 15% Sales Tax.

v) Four wheel drive vehicles such as jeeps, station wagons and other four wheel drive motor cars are also to be classified in heading 87.03.

vi) This CGO supercedes all previous classification rulings and orders on the subject.

(ZAHID HUSSAIN BHAYO)
Secretary (Customs Tariff-II)