



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



C. No. 121/KAPE/DC/PCT/2019

Dated: 12.12.2019

PUBLIC NOTICE No. 9 /2019-MCC(E)

Subject: CLASSIFICATION OF WOKOZIM POWER PLUS GRANULES

FACTS:

MCC Appraisement (East) forwarded a reference for determination of correct classification of product "WOKOZIM POWER PLUS GRANULES". The importer imported wokoziim power plus granules and classified the same under PCT Heading 3105.9000.

02. The department classified the goods (Wokozim Power Plus Granules) under PCT 3824.9999 as opposed to declared PCT 3105.9000 as Chapter 31 of Pakistan Customs Tariff is specific for NPK (nitrogen, phosphorus, potassium) fertilizers. Moreover, as per test report, "*In view of the test results the sample may qualify to consist of iron oxide and silicates in association with aluminium, titanium, sulfur and other trace elements*", **none of the elements of NPK are found in the imported goods**. The chapter/explanatory notes of Chapter 31 also state that, "*For the purpose of heading 31.05, the term 'other fertilizers' applies only to products of a kind used as fertilizers and containing, as an essential constituent, at least one of the fertilizing elements nitrogen, phosphorus or potassium*".

03. Secondly, the explanatory notes to Chapter 31 also **exclude** micronutrients, "*This Chapter also excludes micronutrients preparations which are applied to seeds, to foliage or to soil to assist in seeds germination and plant growth. They may contain small amounts of the fertilizing elements nitrogen, phosphorus and potassium, but not as essential constituents*".

04. The claim of the importer is on the following grounds:

- i. The importer is working only for agriculture products and importing under the brand "Fertilizer - Wokozim Power Plus Granules", which is recognized and accepted world-wide as *fertilizer*, and Chapter 31 is specific for fertilizers. However, chapter notes mention only NPK fertilizers to be classified under this.
- ii. The imported goods are registered with the Government of Punjab as fertilizer.

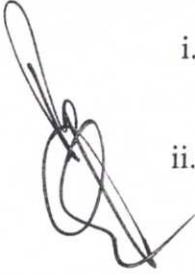
- iii. The PCT Heading 3824.9999 is for miscellaneous / mixture of chemicals and the use of the imported goods is only as fertilizer and not as a chemical for other uses.

ISSUE:

05. Whether “**WOKOZIM POWER PLUS GRANULES**” is to be classified in PCT heading 3105.9000 or 3824.9999 or in any other PCT heading of Pakistan Customs Tariff?

PRODUCT ANALYSIS:

06. According to the literature provided by the importer, “**Wokozim**” is an innovation in biotechnology research. It is non-toxic, organic, storehouse of naturally occurring plant growth nutrients derived from seaweed, *Ascophyllum nodosum*, with a special fermentation process. The literature provided shows that the product improves uptake of complex molecules from soil and soil microbial activity. It induces faster and vigorous development of root mass, improves uptake of previously unavailable nutrients and water from soil, and provides minerals and other nutrients required for the healthy development of plant i.e. Molybdenum, Boron, Manganese, Zinc, Copper, Magnesium, Iron. The presence of betaines along with other stimulants present in wokozim reduces the intensity of oxidation reaction. This limits the stress on the plant, enhances crop growth and improves overall health of the plant. The literature further shows that WOKOZIM has five following basic effects:

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- i. **Enhanced Soil Microbial activity:** Nutrients present in the product act as food to beneficial microbes thus increase the microbial activity.
 - ii. **Reduced root damage:** Beneficial microbes compete with fungal pathogen. This will reduce the activity of the fungal pathogen and in turn reduces the chance of root damage.
 - iii. **Stress tolerance:** Wokozim applied plants tolerate greater levels of cold and other kind of stress and that reduces the amount of damage.
 - iv. **Increased Chlorophyll level:** Betaines present in Wokozim reduce natural damage to the photosynthetic process, hence maintain the chlorophyll content. This helps in keeping the leaves in healthier and greener condition.
 - v. **Plant Defense Mechanism:** Stimulants present in the product encourage root and shoot growth. These roots can absorb greater amount of available nutrients from

the soil. Healthy roots and the plants reduce the damage and help in improving the natural defense mechanism of the plant.

LAW AND ANALYSIS:

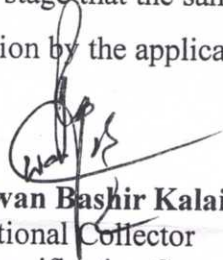
07. The classification under First Schedule to the Customs Act, 1969 (Pakistan Customs Tariff) is made in accordance with the General Rules of Interpretation (GRI). As per GRI-I, the classification of goods shall be determined according to the terms of the headings and any relative Section or Chapter Notes. In the event that the goods cannot be classified solely on the basis of GRI-I and if the headings or legal notes do not otherwise require, the remaining GRIs may then be applied. The Explanatory Notes (ENs) of the Harmonized Commodity Description and Coding System provide a guiding commentary on the scope of each heading and are authentic source of interpretation as per Rule 1 of Pakistan Rules to the GRI and are the official interpretation of the Harmonized System at the International level as well.

HOLDING:

08. The case has been examined by the classification committee in depth keeping in view the Custom House Lab Report and the literature provided by the importer. The importer's arguments that i) "wokokim power plus granules" is a fertilizer and Chapter 31 is specific for fertilizer, ii) that the PCT Heading 3824.9999 proposed by the Collectorate is not appropriate as this heading 3824.9999 is for miscellaneous / mixture of chemicals, and iii) that the product is registered with the Govt. of Punjab as fertilizer, have also been considered. As per lab report, the imported product is micronutrients preparation consisting of iron oxide and silicates in association with aluminium, titanium, sulfur and other trace elements. Also, keeping in view the Explanatory Notes to the sub-heading of Chapter 31, which clearly state that "*the term 'other fertilizers' applies only to products of a kind used as fertilizers and containing, as an essential constituent, at least one of the fertilizing elements nitrogen, phosphorus or potassium*" and the explanatory notes to Chapter 31 which **exclude** micronutrient preparations, "*This Chapter also excludes micronutrients preparations which are applied to seeds, to foliage or to soil to assist in seeds germination and plant growth. They may contain small amounts of the fertilizing elements nitrogen, phosphorus and potassium, but not as essential constituents (heading 38.24)*", it is evident that this product doesn't fall under PCT 3105.9000. Moreover, the registration of a product with the government as fertilizer does not affect the classification. Thus, in light of above, the product is correctly classifiable in 3824.9999.

09. The ruling is issued in terms of Chapter-II (Classification) of the CGO 12/2002 dated 15.06.2002 and any appeal against this ruling shall only lie with the Federal Board of Revenue under Rule 2 of Pakistan Rules to the General Rules of Interpretation.

10. The above ruling is based on the documents including literature 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.


(Ch. Rizwan Bashir Kalair)
Additional Collector

Chairman Classification Committee

Copy for information to:

1. Member (Customs Policy), Federal Board of Revenue, Islamabad.
2. Member (Customs Operations), Federal Board of Revenue, Islamabad.
3. Member (Customs Legal & Accounting), Federal Board of Revenue, Islamabad.
4. ✓ Member (FATE), Federal Board of Revenue, Islamabad with the request to publish this ruling on FBR website.
5. The Chairman, Customs Appellate Tribunal, Karachi.
6. The Chief Collector of Customs (Appraisalment) South, Custom House, Karachi.
7. The Chief Collector of Customs (Enforcement) South, Custom House, Karachi.
8. The Chief Collector of Customs (Appraisalment) Central, Custom House, Lahore.
9. The Chief Collector of Customs (Enforcement) Central, Custom House, Lahore.
10. The Chief Collector of Customs (North), Custom House, Islamabad.
11. The Chief Collector of Customs (Balochistan), Custom House, Quetta.
12. The Collector, MCC Appraisalment (East), Custom House, Karachi.
13. The Collector, MCC Appraisalment (West), Custom House, Karachi.
14. The Collector, Port Muhammad Bin Qasim, Custom House, Karachi.
15. The Collector, Collector of Customs Adjudication I & II, Custom House, Karachi.
16. The Director, Reforms and Automation (R&A), Custom House, Karachi with the request to incorporate this ruling in WeBoC.
17. The Project Director, WeBoC *Glo*, Custom House, Karachi for necessary action.
18. The Karachi Chamber of Commerce & Industry, Karachi.
19. The Federation of Pakistan Chambers of Commerce and Industry, Karachi.
20. The Karachi Customs Agents Association, Karachi.
21. M/s. Jaffar Agro Services (Pvt) Ltd., Citi Tower, 33-A, Block-6, PECHS, Shahrah-e-Faisal, Karachi
22. Notice Board.

(Ch. Rizwan Bashir Kalair)
Additional Collector
Chairman Classification Committee