



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



C. No. 96/KAPE/DC/PCT/2018

Dated: 16.03.2020

PUBLIC NOTICE No. 02/2020-MCC(E)

Subject: CLASSIFICATION OF THE GOODS DECLARED AS "REACTIVE DYES PREPARATIONS MEANT FOR TEXTILES"

Model Customs Collectorate Preventive (Air Freight Unit), Karachi and others forwarded references for determination of correct classification of product "Reactive dyes preparations meant for textiles". The importers claimed PCT Heading 3204.1600 for clearance of the same, whereas the Collectorates classified it in PCT Heading 3215.1920. The matter was taken up in the meetings of Classification Committee which were attended by the importers' representatives, Custom House Lab officials and deputed personnel of the referring Collectorates.

ISSUE:

2. Whether the impugned product is classifiable under PCT heading 3204.1600, as claimed by the importers, or under PCT heading 3215.1920, as ascertained by the referring Collectorates, or under any other relevant heading of the First Schedule to the Customs Act, 1969 (Pakistan Customs Tariff)?

IMPORTERS' STANCE:

3. The product is a dye-based solution to be used for dyeing textiles through a new printing technique. It is not ink as the main constituent of ink, i.e. pigment, is not present in this product. It is a water-based coloring matter as per Para-3 of Chapter Notes of Chapter 32 read with Explanatory Notes (ENs) (A) of the HS Code 32.15. The coloring material in ink is pigment, as mentioned in explanatory notes; whereas, the HEJ Test Report states that "the main ingredient of the sample is reactive dye". They also pointed towards GRIs and argued that the classification of goods should be in specific heading and not in general heading, as is evident in the case of ceramic colors. The ceramic inks for inkjet devices are classified by application of GRIs 1 and 6. They pointed out to the ENs of HS Code 32.08 & 32.09 for paints in aqueous and non-aqueous media. They further argued that the presence of glycol and surfactants does not exclude the product from the Heading 32.04.

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DEPARTMENT'S POINT OF VIEW:

4. The referring departments pointed towards the product literature which states that the product is printing ink, and contended that inks may have dyes or pigments as an essential ingredient. The application of the impugned product is through inkjet printers and is same as that for printing ink. Localized dyeing is, in fact, the printing process which is eminent on one side of the textile. They contended that the function of dye is same of pigment in inks which is imparting colors. They pointed out that as per the lab pH of the instant product was around 6-7, while pH of dyes remains around 11. They further argued that the ceramic colors / paints are different in composition and any legal explanation in respect of said items cannot be made basis in this case. On the point of law, they argued, that classification is to be determined in view of GRIs (more specific heading is preferred over a general heading), Section / Chapter Notes, ENs and end-use. They opined that the impugned product is appropriately classifiable under heading 3215.1920.

PRODUCT ANALYSIS:

05. Reactive dyes meant for textiles contain reactive dyes as basic colorants and glycol as solvent, prepared for digital printing.

Reactive dyes preparation has the following properties:

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- i. **Composition:** It is a preparation containing reactive dye as main ingredient in combination with glycol, other additives, etc.
 - ii. **Mode of application:** It is applied through inkjet printer.
 - iii. **Chemistry involved:** Reactive dyes (organic colorants) make a covalent bond with the substrate.

6. The samples were tested from the Custom House Lab and HEJ Lab. Customs House Lab reported "*the sample is found to be the preparation consisting of aqueous / glycol solution of coloring matter in association with small amount of binder, other additives*". The HEJ lab report presented before the committee, dated 28.03.2018, states "*the given sample of Reactive Dye was analyzed by chemical, analytical and applications methods. The liquid contains a colorant and some additives & stabilizers. When applied on different fibers, it showed significant fixation on cellulose fiber. The fixation temperature and fastness behavior confirms that main ingredient is reactive dye. It is not DCT – Reactive, it could be MCT, VS or hereto bifunctional Reactive dye that are commonly used in digital printing inks for textile materials*". HEJ concludes that the product is a reactive dye formulation prepared to be used as digital printing ink.

LAW ANALYSIS:

6. Classification under the First Schedule to the Customs Act, 1969 (Pakistan Customs Tariff) is made in accordance with the General Rules of Interpretation (GRI). GRI-1 provides that the classification of goods shall be determined according to the terms of the

headings of the tariff schedule and any relative Section or Chapter Notes. In the event that the goods cannot be classified solely on the basis of GRI-1, and if the headings and 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.

HS CODES CONSIDERED:

7. PCT Headings under consideration are as follows:

32.04 **Synthetic organic colouring matter, whether or not chemically defined; preparations as specified in Note 3 to this Chapter based on synthetic organic colouring matter; synthetic organic products of a kind used as fluorescent brightening agents or as luminophores, whether or not chemically defined.**

3204.1600 -- Reactive dyes and preparations based thereon

32.15 **Printing ink, writing or drawing ink and other inks, whether or not concentrated or solid.**

3215.1900 -- Other:
3215.1920 --- Digital
3215.1990 --- Other

8. The case has been examined in depth in the classification committee keeping in view the literature provided by the importer, Custom House Lab Report and HEJ Lab Report. The goods declared as "Reactive dyes preparations" by different importers were tested at Custom House Lab which gave the results, "*In view of the above test results (along with available reference) the sample is found to be preparation consisting of aqueous/glycolic solution of coloring matter in association with small amount of binder, other additives*", and also mentioned that to ascertain whether it's a reactive dye or printing ink, the end-use may be considered. HEJ Laboratory test results confirmed the goods as **Reactive Dyes preparations**, containing additives and stabilizers, used in digital printing inks for textile printing.

9. Chapter Notes to Heading 32.04, ENs to Heading 32.15, and ENs to Sub-heading 32.04 must be considered, and are reproduced below for ease of reference:

a). Para-3 of the Chapter notes of Chapter 32 states that "*Headings 32.03, 32.04, 32.05 and 32.06 apply also to preparations based on coloring matter (including, in the case of heading 32.06, coloring pigments of heading 25.30 or Chapter 28, metal flakes and metal powders), of a kind used for coloring any material or used as ingredients in the manufacture of coloring preparations. The heading does not apply, however, to pigments*

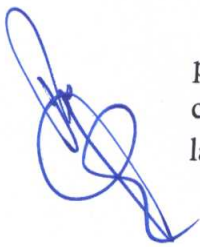
dispersed in non-aqueous media, in liquid or paste form, of a kind used in the manufacture of paints, including enamels (heading 32.12), or to other preparations of headings 32.07, 32.08, 32.09, 32.10, 32.12, 32.13 or 32.15”.

b). In Explanatory Notes of 32.15 (A), the definition of printing inks is provided as, *“Printing inks (or colors) are pastes of varying consistency, obtained by mixing a finely divided black or colored pigment with a vehicle. The pigment is usually carbon black for black inks and may be organic or inorganic for colored inks. The vehicle consists of either natural resins or synthetic polymers, dispersed in oils or dissolved in solvents, and contains a small quantity of additives to impart desired functional properties.”*

c). In Subheading Explanatory Note of 3204.11 to 3204.19, definitions of “reactive dyes” and “pigments” are provided as below:

i) **Reactive dyes** are dyes that attach themselves to the fibres, usually cotton, wool or nylon, by reacting with functional groups on the fibre molecules to form a covalent bond.

ii) **Pigments** are synthetic organic colors which retain their crystalline or particulate form throughout the application process (in contrast to dyes, which lose their crystalline structure by dissolution or vaporization, although they may regain it during a later stage of the dyeing process).



Keeping in view the above-referred chapter notes and explanatory notes, it is considered that the **pigment in non-aqueous medium** must essentially be present in the product to be used as ink. The absence of pigment in the product excludes it from the ambit of 32.15. Moreover, the confirmation of reactive dyes as “**positive coloring matter**” from both Custom House and HEJ labs is clear indication of reactive dye preparation. Furthermore, the importer’s point of view that printing ink (ceramic color) used in ceramics is also applied through printer but still classifiable in 3207.1020 is also valid. This fact is obvious from referred classification opinion for **Ceramic inks for inkjet devices** from WCO through decision taken by the Harmonized System Committee (59th Session – March 2017), concerning the amendments to the Harmonized System Compendium of Classification Opinions, applicable as of 1 June 2017, where “Ceramic Inks for inkjet devices” are classified under Heading 3207 (page VI/7a of Compendium of Classification opinion) and is reproduced as under:

“3207.10 Ceramic inks for inkjet devices, consisting of a suspension of 25 to 50 % by weight of inorganic pigments (e.g., cobalt aluminate, zinc iron chromite, nickel-titanium antimony) in organic solvents (40 to 70 % by weight). The product is used by the ceramics industry in digital applications with inkjet devices to produce a coloured or opaque surface in the course of ceramic firing.”

In accordance with the criteria for the classification opinion on ceramic inks, the goods under discussion, despite their use in digital printing of textile by inkjet devices, are not excluded from the ambit of Heading 32.04, on the identical parameters adopted for the determination of HS Classification of Ceramic ink that every ink that is used in digital applications with inkjet devices is not classifiable as printing ink under heading 3215.

HOLDING:

10. The Committee is of the view that the impugned product possesses essential character of the reactive dye of heading 3204.1600 and is a reactive dye preparation used for textile printing through printer. The product "Reactive dye preparation meant for textiles" and similar preparations for digital textile printing having these specific properties are, in application of GIR-1, appropriately classifiable under PCT heading **3204.1600**.

11. This ruling is issued for such dyes having same characteristics mentioned in Lab Reports (produced above). Products with different specifications may be classified accordingly.

12. 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.

13. 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.

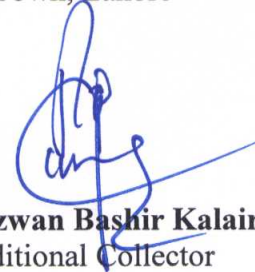


(Ch. Rizwan Bashir Kalair)
Additional Collector
Chairman Classification Committee

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. Humal Tex (Pvt) 3.5 km, Rohil Nala, Moza Raja Boly, office 22km Ferozepur Road, Lahore
22. M/s. Dawood Textile Prinitng Industries (Pvt) Ltd, P.O Box No. 533, 07 km, Sargodha Road, Faisalabad.
23. M/s. New Vision, room No. 19th Floor Sharjah Trade Centre, New Challi, Karachi.
24. M/s. New Style Vision, 13-B, G-1 Market, Jadda Tower, Johar Town, Lahore
25. Notice Board.



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