



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



C. No. 106/KAPE/DC/PCT/2018

Dated: 01.06.2020

PUBLIC NOTICE NO. 03/2020(Classification)

Subject: CLASSIFICATION OF "ECHOLIFE ROUTER EG8247HS"

FACTS

M/s. Nayatel, Islamabad filed a representation to Federal Board of Revenue (FBR) vide letter No.2(3) NTL-Customs/2019 dated 29.07.2019 with request to refer the case to Classification Committee for ascertaining the appropriate PCT heading for "ECHOLIFE ROUTER EG8247HS". Accordingly, the case was referred to the Classification Centre, Custom House, Karachi in terms of Chapter -II of the CGO 12/2002.

ISSUE

2. Whether the subject good "ECHOLIFE ROUTER EG8247HS" is appropriately classifiable under H.S. Code 8517.6270 as claimed or under H.S Code 8517.6290 as proposed by the Collectorate or under any other relevant heading of the First Schedule to the Customs Act, 1969 (Pakistan Customs Tariff)?

PRODUCT ANALYSIS

3. The ECHOLIFE ROUTER EG8247HS is an Optical Network Terminal (ONT) device which uses GPON technology to implement ultra-broadband access for users. It includes provisioning of FTTU Triple Play services i.e. Internet, Basic Cable and TV. It consists of four Ethernet ports and supports WiFi along with two POTS ports, one CATV port and one USB port. The features of the product are enumerated as under:

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Webmaster 9/6/2020

## Features of ONT

- Internet Dialing Capability (PPPoE/Static IP/DHCP)
- USB 2.0
- Wifi 2.4 Ghz IEEE 802.11 b/g/n
- WLAN 2x2 MIMO functionality
- Interface Rate 300 Mbps
- Antenna Gain 5dbi
- NAT/NAPT
- Port forwarding
- Static/Default routes
- RIP v2
- 802.1p Priority
- Multiple services on one WAN port
- Ethernet Port Rate limitation
- Smart WiFi Coverage
- Scheduled WiFi Shutdown
- Filtering based on MAC/IP/URL addresses

## Hardware Specifications

- Power Supply: 12V/1A
- Ethernet Ports: Auto-adaptive 10 Mbit/s, 100 Mbit/s or 1000 Mbit/s
- Temperature : 0 to 40C
- Weight: 300g
- Max. power consumption: 12W
- SC/APC optical connector
- RAM 128 MB

## Technical discussion

- i. The WiFi portable LTE router **R500** has already been classified by the Classification Committee vide Public notice No. 05/2018 wherein technical assistance from Pakistan Telecommunication Authority (PTA) was sought which clarified as under:-

*“As per technical evaluation of type approved model listed in Annex-A, the equipment is router with functionality to transmit Rx and Tx data packets for connectivity.”*

On the strength of this technical opinion by the PTA, the importer contended that the subject device also transmits data packets, and **all the functionalities of phone, internet and TV are built upon the core functionality of routing.**

- ii. The importer provided a flowchart for comparison of both the devices (ONT and Router R500) to show that both the devices have similar features:-

Description	ONT	Router
Receive and Transmit data packets for connectivity	Yes	Yes
Internet Dialing Capability (PPPoE/Static IP/DHCP)	Yes	Yes
USB 2.0	Yes	Yes
WiFi 2.4 GhZ IEEE 802.11 b/g/n	Yes	Yes
NAT/NAPT	Yes	Yes
Port forwarding	Yes	Yes
Static/Default routes	Yes	Yes
802.1p Priority	Yes	Yes
Multiple services on one WAN port	Yes	Yes
Filtering based on MAC/IP/URL addresses	Yes	Yes
Ethernet Port (Local Area Network)	Yes	Yes
Radio Frequency port	Yes	No
POTS Port	Yes	No
Fiber Wide Area Network Connectivity	Yes	No
Copper Wide Area Network Connectivity	No	Yes
Wireless Wide Area Network Connectivity	No	No
Wi-Fi Alliance Certified	Yes	Yes

iii. The importer contended that the subject device falls in 85.17 owing to the following reasons:-

a) The H.S code 8517.6270 for ECHOLIFE ROUTER EG8247HS is the correct heading based on its functionality being routing type ONT. As per Pakistan Custom Tariff, the H.S Code 85.17 refers to the equipment(s) which are used for reception of other data, including apparatus for communication in a wired or wireless network (such as a local or wide area network). This clearly indicates that the equipment will gain access over IP protocol whether on LAN (Local Area Network) or WAN (Wide Area Network). In order to get internet access, first ONT (Optical Network Terminal) has to be installed in a FTTH network. As per features of the device, ONT has the capability to get an internet connection from an Internet Service Provider (ISP).

b) Further, the importer contended that globally recognized International certification bodies i.e. WiFi Alliance, China Compulsory Certification (CCC), Regulatory Compliance Mark (RCM), that ensure technical compliance of the product have also classified the product under the category of "Router".

## LAW ANALYSIS

4. 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, 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) to 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

5. The Committee has deliberated upon the classification of this product in different meetings, the last of such meetings was held on 30-04-2020, and based on thorough deliberation and technical evaluation has formed a considered opinion after discussing following PCT headings:

- i. **85.25 Transmission apparatus for radio-broadcasting or television, whether or not incorporating reception apparatus or sound recording or reproducing apparatus; television cameras, digital cameras and video camera recorders.**

The committee considered the classification under H.S code 85.25 which covers transmission apparatus (transmitter) for radio and TV broadcasting, and opined that the article is not classifiable under the said heading as Para (A) of Explanatory Notes to H.S code 85.25 clarifies that television apparatus which falls here is transmission apparatus, whether transmission is by Electromagnetic waves or by line. The impugned good is not a transmitter rather it is reception apparatus of IP signals, hence, it is excluded from the purview of this heading.

