



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



C-13/KAPE/DC/PCT/2025

Dated: 04.08.2025

PUBLIC NOTICE NO.05/2025

SUBJECT: IMPLEMENTATION OF THE ORDER DATED 24.02.2025 PASSED BY THE HONORABLE CUSTOMS APPELLATE TRIBUNAL, BENCH-I, LAHORE IN CUSTOMS APPEAL NO.730/LB/2023 FILED BY THE IMPORTER NAMEDLY M/S CNS ENGINEERING, DHA, LAHORE.

The Directorate of Post Clearance Audit (Central), Lahore has forwarded a reference No.PCA/LHR/C&D/151/2022-23/3811 dated 20.03.2025 for determination of correct classification of "Battery Module for UPS".

(A). **Background of the Dispute:**

2. Brief facts as reported by the referring Directorate are that M/s C.N.S Engineering imported consignments declared to contain "Battery Module for UPS" under PCT heading 8504.9030 by claiming goods as parts of UPS, however, as per Department's contention goods are actually multiple batteries in a series linked together and packed in a safety enclosure for storage and supply of uninterruptible power and correctly classifiable under PCT heading 8507.8000. The Department further stated that as per explanatory notes to Chapter 85.07, it has been exclusively mentioned that such battery packs are classified in this heading even if they are designed for use with specific device. Resultantly, Audit Observation No.161/2022-23 was issued vide C.No. PCA/LHR/Team-C&D/151/2022-23/3099 dated 09.03.2023. Accordingly, contravention report was framed for adjudication and adjudicating authority issued Order-in-Original No.405/2023 dated 30.10.2023 in favor of department. The learned Customs Appellate Tribunal vide its judgement dated 24.02.2025 referred the matter to Classification Committee to resolve the controversy.

(B). **Importer's Point of View:**

3. The importer's contention is that the subject goods are classifiable under PCT heading 8504.9030 on following grounds:-

- a) "The imported system consists of battery module which is correctly classifiable under heading 8504.9030 as part of static converter (un-interrupted power supply) as it is solely suitable on the basis of its shape, material, size and its relevant heading is 8504.9030. The battery module in question is not an accumulator in and of itself but rather a component integrated into a power conversion system.

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Received in M (PR) Office on 07-08-25

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Chief (TPS)
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7/8/25
Member (Taxpayers' Services)

- b) *"The battery module in isolation lacks the essential character of a standalone accumulator. It is designed to function as part of a converter based power system as within heading 8504, sub heading 8504.9030 clearly encompasses parts suitable for static converters. The battery module that do not independently meet this definition (e.g. those lacking management system or capable of functioning independently) should not fall under 8507. Further, it is not a complete accumulator. It lacks key features (like BMS, protective casing, connectors) to be independently functional as power source".*
- c) *"The product is engineered and optimized for integration within a large power electronic converter, suggesting its essential character is that of a part of a converter and solely or principally used within static converters in industrial energy systems."*
- d) *"Jurisdictions such as EU and US have classified similar modules under parts of heading 8504 when designed for specific integration with converters."*

(C) Department Point of View:

- a) The Department is of the view that imported equipment is excluded from PCT heading 8504.9030 not being parts as batteries are specifically mentioned in PCT heading 8507.

(D) Product Analysis:-

4- As per catalogue provided by the importer, the goods are Battery Module of Symmetra PX 40 which are connected in parallel for increased availability and are swappable for easy replacement by a trained user. These swappable battery modules feature advanced battery monitoring and temperature compensated battery charging that extends battery life. It is battery module containing 4 battery units, compatible with Symmetra PX 20/40/80, Smart-UPS VT, and Galaxy 3500 UPSs. The battery type is Valve Regulated Lead Acid Battery which is placed in enclosed battery cabinet having dimensions Height 198 cm, Width 97 cm and Length 226 cm. (https://www.surgearrest.ca/wp-content/uploads/2024/04/998-23102844_Symmetra-PX-40_GMA_Brochure-5.pdf)

(E) Law and Analysis:

5. The Classification Committee considered the arguments and stance of both sides and examined the documents put forth and 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 interpretation (GIR) of the First Schedule to the Customs Act, 1969. The Committee considered the PCT headings relied upon by the importers and the referring Directorate which are reproduced for ease of reference:

PCT Heading	Terms of Heading
8504.9030	- - - Of machines of heading 8504.4090
8507.8000	- Other (Electric accumulators, including separators therefor, whether or not rectangular (including square))
...	Any other relevant PCT Heading

6. The Classification Committee examined the proposed classifications in light of the Explanatory Notes to those headings and the GIR: -

- a) As per catalog submitted by Importer and Department's views on the subject issue, the guiding explanation regarding its classification whether parts or otherwise is available in Explanatory Notes to PCT heading 8504. The relevant portion is reproduced as under:-

'PARTS

Subject to the general provisions regarding the classification of parts (see the General Explanatory Note to Section XVI), parts of the goods of this heading are also classified here. In particular, metal tank mercury arc rectifiers, with or without a pump, are always classified as parts.'

The relevant portion of General Explanatory Note to Section XVI is re-produced as under:-

2.- *Subject to Note 1 to this Section, Note 1 to Chapter 84 and to Note 1 to Chapter 85, parts of machines (not being parts of the articles of heading 84.84, 85.44, 85.45, 85.46 or 85.47) are to be classified according to the following rules :*

- (a) Parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are in all cases to be classified in their respective headings:
- (b) *Other parts, if suitable for use solely or principally with a particular kind of machine, or with a number of machines of the same heading (including a machine of heading 84.79 or 85.43) are to be classified with the machines of that kind or in heading 84.09, 84.31, 84.48, 84.66, 84.73, 85.03, 85.22, 85.29 or 85.38 as appropriate. However, parts which are equally suitable for use principally with the goods of headings 85.17 and 85.25 to 85.28 are to be classified in heading 85.17, and parts which are suitable for use solely or principally with the goods of heading 85.24 are to be classified in heading 85.29;*

7. As per the product analysis and attributes, it is complete VRLA Battery module enclosed, thereby as per Section XVI 2(a), it is appropriately classifiable in PCT heading 8507.2000.

Moreover, relevant portion of explanation in Section Notes XVI regarding parts is detailed as under:-

6. (II) PARTS

7. (Section Note 2)

8. In general, parts which are suitable for use solely or principally with particular machines or apparatus (including those of heading 84.79 or heading 85.43), or with a group of machines or apparatus falling in the same heading, are classified in the same heading as those machines or apparatus subject, of course, to the exclusions mentioned in Part (I) above. Separate headings are, however, provided for :
9. Electric accumulators assembled into battery packs (heading 85.07).

Therefore, the electric accumulators /battery modules in all cases are to be classified in PCT heading 8507 specifically in 8507.2000.

Decision:

8. After thorough deliberation, the Classification Committee has determined, in terms of GIR Rule 1 and Pakistan Rule 1, that Battery Module for UPS is appropriately classifiable in PCT heading 8507.2000.

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

10. This Public Notice is issued in terms of Chapter-II (Classification) of CGO 02/2025 dated 24.03.2025 and any appeal against this determination/decision shall lie with the Board in terms of Rule 2 of the Pakistan Rules provided in the preamble of the First Schedule to the Customs Act, 1969.

-Sd-

(Amjad Aman)

Additional Collector

Secretary to the 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.
5. The Chief (Tariff & Trade), Federal Board of Revenue, Islamabad.
6. The Director General of Customs Exports & Input/Output Co-Efficient Organization (IOCO), Karachi.

7. The Chief Collector of Customs (Appraisalment) South, Custom House, Karachi.
8. The Chief Collector of Customs Appraisalment Balochistan, Custom House, Quetta.
9. The Chief Collector of Customs Appraisalment Punjab, Custom House, Lahore.
10. The Chief Collector of Customs Appraisalment (North), Custom House, Peshawar.
11. All Collectors / Directors of Customs.
12. The Director, Reforms and Automation (R&A), Custom House, Karachi with the request to incorporate this ruling in WeBoC.
13. The Director, Directorate of PCA (Central), 2nd Floor, Custom House Lahore.
14. M/s CNS Engineering, 70-A, XX Block, Phase-III, DHA, Lahore.
15. M/s. Tax Haven, Head Office: Office No. 116, First floor, Business Arcade, Shahrah-e-Faisal, Karachi.
16. The Karachi Chamber of Commerce & Industry, Karachi.
17. The Federation of Pakistan Chambers of Commerce and Industry, Karachi.
18. The Karachi Customs Agents Association, Karachi.
19. Notice Board.

Handwritten signature and date: 4/8/2025.

(Amjad Aman)
Additional Collector
Secretary to the Classification Committee