



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



C-21/KAPE/DC/PCT/2024

Dated: 09.09.2025

PUBLIC NOTICE NO.13 /2025

SUBJECT: DETERMINATION OF APPROPRIATE PCT HEADING OF AIR CONDITIONING OUTDOOR UNITS (MULTI-TROPICAL SYSTEM) INVERTER TYPE TECHNOLOGY

The Collectorate of Customs Islamabad forwarded a reference dated 15.04.2024 for determination of correct classification of "Air conditioning outdoor units (Multi-tropical system) inverter type technology".

A). **Background of the Issue/Dispute:**

2. M/S Green appliances imported Air conditioning outdoor units. The goods were examined and the examination report confirmed the goods as Air conditioning outdoor units (Multi-tropical system) inverter type technology. The Directorate General of Audit (Customs & Petroleum), Lahore during audit for the year 2017-2018 raised an audit objection vide DP No. 6094 and AO No. 08 wherein it was pointed out that M/s Green Appliances Private Limited had imported two consignments of Air Conditioning Outdoor units (Reversible Heat pumps) under PCT code 8415-1039 and were cleared by claiming the benefit of SRO 659 (1)/2007 dated 30-6-2007 on concessional rate of custom duty. The goods were correctly classifiable under PCT heading 8415.8100, being a reversible heat pump which attracts CD 20% resulting in short realization of government revenue of Rs. 3,386,584. The Collectorate of Customs, Islamabad, raised the demand but the importer failed to deposit the same. Accordingly, a contravention case was made and the same was referred to the Collectorate of Customs (Adjudication), Islamabad for proper adjudication. The adjudication authority, after conducting multiple hearings, decided the case in favour of the Collectorate. Being aggrieved, the importer filed an appeal before the Customs Appellate Tribunal, Islamabad vide Appeal No. 212/2020, which is still subjudice at the said forum. During the hearing proceedings, the learned Member (Technical), Customs Appellate Tribunal, directed to refer the instant case to the Classification Committee for determination of the correct classification of Air Conditioning Outdoor Units (Multi Tropical System) consisting of Inverter Type Technology.

B). **Department's Point of View:**

3. During the proceedings of the hearing, the concerned Collectorate's representative emphasized the contention that the imported goods incorporate reversible heat pumps and, as such are classifiable under PCT heading 8415.8100, however, it was not substantiated through any technical literature or catalogue or with any technical specifications of the imported units to quality them as reversible heat pumps.

E-DOJ 1173324
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C). **Importer's Point of View:**

4. On the other hand, the consultant for M/s Green Appliances Private Limited on Zoom stressed that the imported goods were in fact a tropical multisystem unit and are appropriately classifiable under PCT heading 8415. 1039. The consultant also did not provide any technical literature / catalogue to rebut the contention of the concerned Collectorate.

D). **Product Analysis:**

5. Scrutiny of the documents provided revealed that the following models of outdoor Air Conditioning units were imported:

GAV-280-DR5 - CX
GAV-450-DRS - CX
GAV400 DRS - CX
GAV-500PRS - CX
Brand: Green Air

(All these models are outdoor units to support multiple indoor units and incorporate reversible heat pump).

As per explanatory notes pertaining to heading 8415, reversible heat pumps designed, through a single system fitted with a valve for reversal of the cooling/heat cycle, to perform the dual function of heating and cooling premises. In the cooling cycle, the reversing valve directs the flow of hot, high pressure vapour to the outdoor coil where the heat released during condensation is fanned into the outdoor air and then compressed refrigerant flows into an indoor coil where it vaporizes and absorbs heat and cools the air that is driven around the premises by a fan. In the heating cycle, the shifting of the valve for reversal of the cooling/heat cycle causes the refrigerant flow to reverse so that the heat is released inside the premises.

6. The subject case includes two Goods Declarations pertaining to the year 2018. The relevant tariff arrangement for Air Conditioners (8415) as provided in Pakistan Customs Tariff 2017-18, retrieved from FBR website as well as hard copy of the relevant period, is reproduced below:

919

PCT CODE	DESCRIPTION
84.15	Air conditioning machines, comprising a motor-driven fan and elements for changing the temperature and humidity, including those machines in which the humidity cannot be separately regulated.
	_ Of a kind designed to be fixed to a window, wall, ceiling or floor, self-contained or "split-system".
8415.1010	___ Window or wall type
8415.1020	___ Self-contained or split type comprising of inner and outer unit whether or not imported separately 20
8415.1030	___ Tropical MPS multi system unit 5 tones capacity and above
8415.1090	___ Other

PCT CODE	DESCRIPTION
	_ Of a kind used for persons, in motor vehicles:
8415.2010	___ For motor cars of heading 87.03 and vehicles of sub-headings 8703.2113, 8703.2193, 8703.2195, 8703.2240 and 8704.3130
8415.2090	___ Other
	_ Other
8415.8100	___ Incorporating a refrigerating unit and a valve for reversal of the cooling/heat cycle (reversible heat pumps)
8415.8200	___ Other, incorporating a refrigerating unit
8415.8300	___ Not incorporating a refrigerating unit
	_ Parts
	___ Evaporators
8415.9011	_____ Enameled and coated for anti-rust purposes
8415.9012	_____ for vehicles of chapter 87
8415.9019	_____ Other
	_____ Condensers
8415.9021	_____ for vehicles of chapter 87
8415.9029	_____ Other
8415.9030	_____ Covers for inner body
	_____ Other
8415.9091	_____ For use with air conditioning machines of PCT headings 8415.2010, 8415.2020, 8415.2030 and 8415.2090
8415.9099	_____ Other

In the above mentioned arrangement of Pakistan's Customs Tariff, Tropical MPS Multi System is given by name under heading 8415.1030, whereas air conditioners incorporating reversible heat pumps are by name given under heading 8415.8100. Tropical multi split system implies that a single outdoor air conditioning unit can support multiple indoor units. Online information revealed that the imported models of air conditioning outdoor units can support multiple indoor units.

E). Law and Analysis:

7. It is further to mention here that the tropical MPS multi system under PCT heading 8415.1030 is a three dash local heading which is governed by a single dash heading which reads as, "of a kind designed to be fixed to a window, wall, ceiling or floor, self-contained or "split-system". On the other hand, air conditioning machines incorporating a reversible heat pump system is classifiable under HS code 8415.8100, being two dash heading governed by single heading, "other".

F). Ruling:

8. The Classification Committee is of the opinion that multi-MPS System, even if these incorporate reversible heat pumps, are specifically classifiable under the PCT heading 8415.1030 by virtue of General Rule for Interpretation (GIR) 1 and 3 (a). The subject classification decision pertains only to the extent of 4 models imported vide Goods Declaration by M/S Green Appliances.

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. The Collector, Collectorate of Customs Appraisalment, 24 Muave Area, G-9/1, Islamabad.

12. All Collectors / Directors of Customs.
13. The Director, Reforms and Automation (R&A), Custom House, Karachi with the request to incorporate this ruling in WeBOC.
14. M/s. Green Appliances (Pvt) Ltd, Plot No. 386, Industrial Area, I-9, Islamabad.
15. The Federation of Pakistan Chambers of Commerce and Industry, Karachi.
16. The Karachi Chamber of Commerce & Industry, Karachi.
17. The Karachi Customs Agents Association, Karachi.
18. Notice Board.



(Amjad Aman)
Additional Collector/
Secretary to the Classification Committee