



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



C-159/KAPE/DC/PCT/2020

Dated 26.04.2026

PUBLIC NOTICE NO. 17/2026

SUBJECT: CLASSIFICATION OF "SOFTWARE RECORDED ON SEMI CONDUCTOR MEDIA"

1. The MCC (Preventive), Custom House, Nabha Road, Lahore, vide reference C.No.04/APR/MISC/AFU/828/2015 dated 14.04.2015, forwarded a case for determination of the correct classification of "software recorded on semi-conductor media".

2. M/s Pakistan Mobile Communication Limited imported a consignment of "software recorded on flash card/smart card" and filed Goods Declarations No. LPAF-HC-25187 dated 21.01.2015 and 26798 dated 30.01.2015. The importer declared the goods under PCT heading 8523.5220, chargeable to Customs Duty @ 5%. However, the Collectorate re-classified the goods under PCT heading 8523.5990, chargeable to Customs Duty @ 10%, on the grounds that PCT heading 8523.5220 pertains to "memory cards" and not specifically to "software recorded on flash/smart cards". The importer contested the re-classification and filed review petitions.

3. The Collectorate maintained that PCT heading 8523.5220 applies to "memory cards" as a medium, not to software itself, and that in the absence of a specific sub-heading for software under 8523.5000, the goods are appropriately classifiable under PCT heading 8523.5990 ("Other"). The Directorate of Internal Audit also supported this view in its Audit Report. However, the Classification Committee, vide letter No. 506/KAPE/DC/PCT/2015 dated 03.10.2015, determined classification under PCT heading 8523.8030. This determination was contested by MCC (Preventive), Lahore, vide letter dated 26.05.2016, requesting revision of the classification. Subsequently, the Board, vide letter dated 21.07.2016, directed the Classification Committee to re-examine the matter and furnish its comments.

28/4/2026  
Muhammad Abu Bakar Siddique  
Chief (TPS)

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4. The importer contended that PCT heading 8523.5220 covers software recorded on flash/smart cards. It was argued that classification under heading 85.23 is primarily based on the type of media, irrespective of whether it is recorded or unrecorded. Flash or memory cards are solid-state non-volatile storage devices and are classifiable under PCT heading 8523.5220 by application of GRI 3(a) and GRI 4. It was further argued that classification under the residual heading 8523.5990 instead of the specific heading 8523.5220 violates the General Rules for Interpretation (GRIs). Alternatively, if classification were to be based on the nature of the content (software), then heading 8523.8030 ("Information Technology Software") would be more appropriate.

5. As per the information and images provided, the imported goods (CF Card XL and XL+) are industrial-grade compact flash memory cards manufactured by SMART Modular Technologies, designed for high-reliability applications in networking, medical, and industrial sectors.

6. The Classification Committee examined the case in light of the relevant provisions of law, including the General Rules for Interpretation (GRIs), the Pakistan Customs Tariff, and the Explanatory Notes.

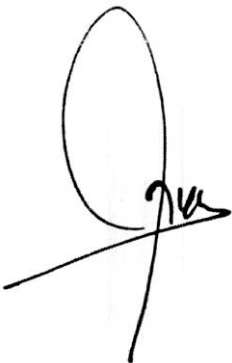
7. After detailed deliberation, the Classification Committee observed as follows:

- (i) Heading 85.23 covers media "whether or not recorded", indicating that both recorded and unrecorded media fall within its scope. The distinction between recorded and unrecorded media is specifically provided only for optical media (headings 8523.41 and 8523.49), and not for magnetic or semi-conductor media. Therefore, the analogy drawn by MCC (Preventive), Lahore, based on optical media classification, is not applicable to semi-conductor media. The Explanatory Notes classify goods under heading 85.23 based on the type of media, irrespective of whether the media is recorded or unrecorded. The earlier decision of the Classification Committee classifying the goods under PCT heading 8523.8030 is not sustainable, as it appears to be influenced by the value of the goods rather than the applicable classification principles. Furthermore, the goods in question are not standalone "information technology software", but rather



software embedded in semi-conductor media. It is a settled principle, also affirmed in Classification Committee ruling C.No. CC-60/2009-A dated 02.04.2010, that products of heading 85.23 are classified according to the media on which they are presented.

- (ii) The Committee held that software recorded on flash cards/smart cards is classifiable according to the underlying media. Flash cards/smart cards are solid-state, non-volatile storage devices falling under semi-conductor media. Accordingly, the appropriate classification is under PCT heading 8523.5190, in terms of GRI 1 and 6, as the subject goods are neither MMC nor SD cards, nor other specified categories. This view is further supported by WCO Classification Opinion under heading 8523.51 relating to solid-state non-volatile storage devices (flash memory cards), classified by application of GRIs 1 and 6.
- (iii) The software is classified based on the media on which it is recorded. Such media include optical discs, magnetic media, semiconductor media, and similar storage devices. The content (software) does not alter the classification where the tariff structure is media-based. In the present case, the goods clearly fall within the category of semi-conductor media. In terms of CGO 02/2025 dated 24.03.2025, and in the absence of classification under specific sub-categories such as SD or MMC cards, the most appropriate classification is PCT heading 8523.5190.



8. The Classification Committee holds that by application of GRI 1, 6 and Pakistan Rule 1, that "Software Recorded on Semi-Conductor Media" is classifiable under PCT heading 8523.5190.

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-

(Ammara Durrani)  
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 Chief Collector of Customs (Appraisalment) South, Custom House, Karachi.
7. The Chief Collector of Customs (Enforcement) Islamabad.
8. The Chief Collector of Customs (Exports / IOCO), Custom House, Karachi.
9. The Chief Collector of Customs (Appraisalment) Central, Custom House, Lahore.
10. The Chief Collector of Customs (North), Custom House, Islamabad.
11. The Chief Collector of Customs (Khyber Pakhtunkhwa), Custom House, Peshawar.
12. The Chief Collector of Customs (Baluchistan), Custom House, Quetta.
13. The Secretary (Tariff -I), Federal Board of Revenue, Islamabad
14. All Collectors / Directors of Customs.
15. The Karachi Chamber of Commerce & Industry, Karachi.
16. The Federation of Pakistan Chambers of Commerce and Industry, Karachi.
17. The Karachi Customs Agents Association, Karachi.
18. Pakistan Mobile Communication Limited Digital Headquarter, DHQ 1 ,1-A Kohistan Road F-8 Markaz . Islamabad.
19. Mr Muhammad Usman Head Logistic 3<sup>rd</sup> Floor 1-A IBC Building F-8 Markaz Islamabad.
20. The Collector , Collectorate of Customs JIAP.
21. The Collector, Collectorate of Customs (Enforcement), Karachi.
22. Notice Board.

  
(Ammara Durrani)  
Additional Collector/  
Secretary to the Classification Committee