



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



C-241/KAPE/DC-PCT/2023

Dated. 06/04/2026

PUBLIC NOTICE NO. 19/2026

Subject: CLASSIFICATION OF BANK DEBIT / CREDIT CARDS HAVING
MAGNETIC STRIPE AND CHIP

1. The Collectorate of Customs, Jinnah International Airport, Karachi, vide letter No. SI/Misc/97/2023/AFU/JIAP dated 20.07.2023, referred the matter regarding the classification of bank debit/credit cards incorporating a magnetic stripe and a semiconductor chip. It has been reported that certain importers are declaring the said goods under PCT heading 8523.2100 (cards incorporating a magnetic stripe). However, the Department is of the view that the goods are more appropriately classifiable under PCT 8523.5290 as semiconductor media (smart cards). Accordingly, the matter was referred to the Classification Committee for determination.

2. The goods under consideration are plastic bank debit/credit cards incorporating:
- A magnetic stripe; and
 - An embedded semiconductor chip (integrated circuit).

These cards are used by bank customers for financial transactions and operate through chip-and-PIN technology. The embedded chip enables secure storage and processing of customer data.

The Heading 85.23 covers:

“Discs, tapes, solid-state non-volatile storage devices, ‘smart cards’ and other media for the recording of sound or of other phenomena, whether or not recorded, including matrices and masters for the production of discs, but excluding products of Chapter 37.”

LL
28/4/26
Chay

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

Relevant subheadings:

- 8523.21 --- Cards incorporating a magnetic stripe
- 8523.52 --- Smart cards
- 8523.5290 --- Other

3. The Committee considered the structure of Heading 85.23, Chapter Note 6 to Chapter 85, and the relevant Explanatory Notes.

Chapter Note 6(b) defines “smart cards” as cards having embedded in them one or more electronic integrated circuits (such as a microprocessor, RAM or ROM) in the form of chips. It further clarifies that smart cards may contain contacts, a magnetic stripe, or an embedded antenna.

4. The Committee observed that the subject goods contain an embedded semiconductor integrated circuit in addition to a magnetic stripe. The presence of a magnetic stripe does not alter the fundamental character of the goods as smart cards, as the Chapter Note expressly permits smart cards to incorporate such features.

5. The embedded semiconductor chip provides secure data storage, encryption, and authentication functions, which constitute the primary technological and commercial identity of the product. Once a card contains an embedded semiconductor integrated circuit, it legally assumes the character of a smart card, even if it also incorporates a magnetic stripe. In terms of GRI 1, classification is determined according to the terms of the headings and relevant Chapter Notes. Since the goods satisfy the legal definition of “smart cards” under Chapter Note 6(b), they are classifiable under subheading 8523.52.

6. Further, in terms of GRI 6, the goods do not fall under specific national heading of SIM cards (8523.5210) or memory cards (8523.5220); therefore, they are appropriately classifiable under PCT 8523.5290 --- “Other.”

7. The Classification Committee in light of the foregoing discussion, and by application of GRI 1 and GRI 6, read with Chapter Note 6(b) to Chapter 85 and the relevant Explanatory Notes to Heading 85.23, holds that:

“Bank Debit / Credit Cards incorporating a magnetic stripe and an embedded semiconductor chip” are correctly classifiable under PCT heading 8523.5290 (Semiconductor media – Smart cards – Other), and not under PCT 8523.2100.

8. The above finding is specific to the product whose details / specifications have been provided above. Further, this ruling is based on the documents, literature, and information supplied by the referring Collectorate / importer and shall be treated as annulled if it is subsequently found that the same was obtained by providing incorrect, false, misleading, or incomplete information.

9. This Public Notice is issued in terms of Chapter-II (Classification) of CGO 12/2002 dated 15.06.2002. Any appeal against this determination shall lie with the Board.


-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. The Collector, Collectorate of Customs (Enforcement), Karachi.
19. The Collector, Collectorate of Customs (Appraisalment-East), Lahore.
20. The Collector, Collectorate of Customs (Jinnah international airport), Karachi.
21. Notice Board.


(Ammara Durrani)
Additional Collector/
26.04.2026
Secretary to the Classification Committee