



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



No. C-37/KAPE/DC-PCT/2024

Dated: 06.04.2026

PUBLIC NOTICE NO. 16/2026

Subject: CLASSIFICATION OF "FREQUENCY DRIVE MODULE" IMPORTED VIDE GD NOS. LPAF-HC-17120-15-11-2022, LPAF-HC-17610-18-11-2022 AND LPAF-HC-22281-19-12-2022 BY M/S. ABB POWER & AUTOMATION (PVT) LTD. LAHORE

1. M/s. ABB Power & Automation (Pvt.) Limited, Lahore, vide letter dated 15.12.2023, requested the Classification Committee to determine the correct PCT heading for the imported goods described as "Frequency Drive Module."

2. M/s. ABB Power & Automation (Pvt.) Limited imported three consignments declared as "frequency drive module," which were cleared under PCT Heading 8504.9030 (parts of machines of heading 8504.4090) vide the following Goods Declarations:

- GD No. LPAF-HC-17120 dated 15.11.2022
- GD No. LPAF-HC-17610 dated 18.11.2022
- GD No. LPAF-HC-22281 dated 19.12.2022

3. The Directorate of Post Clearance Audit (PCA), Lahore, conducted an audit of the subject consignments and of the view that the goods were correctly classifiable under PCT Heading 8504.4090. The Directorate, in its contravention report, inter alia, observed as follows:

(a) The importer declared the goods as "parts of frequency drive" in violation of Rule 2(a) of the General Rules for Interpretation (GRIs), which provides:

"An incomplete or unfinished article, provided that, as presented, it has the essential character of the complete or finished article, shall be classified as the complete or finished article."

(b) The subject module constitutes the essential character of a frequency drive. As per the layout diagram available on record, removal of the module from the cabinet leaves only auxiliary components (such as contactor, controller, fuse,

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Chief (TPS)
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and busbar). Therefore, the module itself represents the complete functional unit of a frequency drive and is appropriately classifiable under PCT Heading 8504.4090.

4. Pursuant to the PCA contravention report, the Collector of Customs (Adjudication), Lahore issued Show Cause Notice No. C.No.193/Collector/Adj/2023 dated 21.07.2023, proposing classification under PCT Heading 8504.4090.

5. The Adjudication Authority in Order-in-Original No. 368/2023 dated 04.10.2023, wherein it was held that:

“Since the imported article has all the essential characteristics of a frequency drive, it is correctly classifiable under PCT 8504.4090 and not under PCT 8504.9030 (Parts).”

The importer has filed an appeal against the said Order-in-Original before the Customs Appellate Tribunal, Lahore and the Customs Appellate Tribunal, Lahore forward the case of Classification Committee for determination of appropriate PCT.

6. The Classification Committee was convened on 21.02.2026. The departmental representatives from the Collectorate of Customs, Allama Iqbal International Airport, Lahore, attended the hearing. No representative appeared on behalf of the importer. The Collectorate reiterated that the goods were initially cleared under the Green Channel under PCT Heading 8504.9030, which pertains to parts of machines of heading 8504.4090.

7. The Classification Committee examined the available record and consulted the relevant Explanatory Notes to the Harmonized System (HS). The Explanatory Notes to Heading 85.04 provide that:

- Static converters are apparatus used to convert electrical energy by changing voltage, current, frequency, or other characteristics.
- These include rectifiers (AC to DC), inverters (DC to AC), AC-to-AC converters (including frequency converters), and DC-to-DC converters.
- Frequency converters (variable speed drives) used for controlling the speed of electric motors fall within this heading.

- Such converters remain classifiable under Heading 85.04 even when presented as modules or assemblies, provided they retain the essential character and functional capability of a static converter.

8. Scrutiny of the importer's letter dated 15.12.2023 reveals that no substantive justification was provided for classification under PCT Heading 8504.9030. The record indicates that the imported items comprise the following models:

- MODULE ACS880-04-715A-5
- MODULE ACS880-104-0600A-7
- MODULE ACS880-104-*0530A-7

These modules perform the function of frequency variable drives by converting fixed-frequency electrical input into variable voltage and frequency output, thereby controlling the speed and torque of AC motors.

The subject modules:

- Convert fixed-frequency electrical input into variable voltage and frequency output;
- Control the speed and torque of AC motors;
- Enable smooth acceleration and deceleration; and
- Enhance energy efficiency and process control in industrial applications.

These modules embody the essential function of a complete frequency inverter/variable speed drive. The cabinet or enclosure contains only auxiliary components, whereas the core conversion and control function resides in the module itself.

9. In terms of GRI 1, classification shall be determined according to the terms of the headings and any relevant Section or Chapter Notes.

Further, under GRI 2(a):

An incomplete or unfinished article having the essential character of the complete or finished article shall be classified as the complete or finished article.

Since the imported modules possess the essential character of complete frequency converters, they are classifiable as complete machines rather than parts.

10. Accordingly, the Classification Committee holds that the imported goods are not merely parts of frequency inverters but constitute complete frequency inverter drives/modules. Therefore, classification under PCT Heading 8504.4090 is legally justified and consistent with the Harmonized System Explanatory Notes.

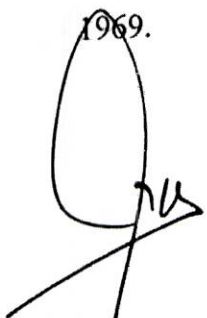
The Classification Committee by application of GRI 1, GRI 2(a) and GRI 6, the subject goods are correctly classifiable under:

PCT Heading 8504.4090 — Static converters (including frequency converters / variable speed drives) and not under PCT Heading 8504.9030 (Parts).

11. 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.

12. 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.

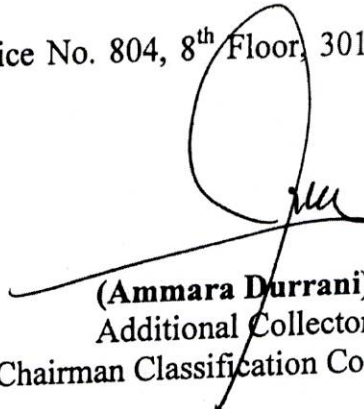


Sd-
(Ammara Durrani)
Additional Collector
Chairman Classification Committee

Copy for information to:-

1. Member (Customs-Policy), Federal Board of Revenue, Islamabad.
2. Member (Customs-Operation), 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 Chairman, Customs Appellate Tribunal, Karachi.
6. The Chief Collector of Custom (Appraisalment), South, Custom House, Karachi.
7. The Chief Collector of Custom (Enforcement), South, Custom House, Karachi.
8. The Chief Collector of Custom (Exports), Custom House, Karachi.
9. The Chief Collector of Custom (Appraisalment), Central, Custom House, Lahore.
10. The Chief Collector of Custom (Enforcement), Central, Custom House, Karachi.
11. The Chief Collector of Custom (North), South, Custom House, Islamabad.
12. The Chief Collector of Custom (Khyber Pakhtunkhwa), Custom House, Peshawar.

13. The Chief Collector of Custom (Baluchistan), Custom House, Quetta.
14. The Collector, CoC, Appraisalment (East), Custom House, Karachi.
15. The Collector, CoC, Appraisalment (West), Custom House, Karachi.
16. The Collector, CoC (PMBQ), Karachi.
17. The Collector, CoC (SAPT), Karachi.
18. The Collector, CoC (AIIa), Allama Iqbal International Airport, Lahore.
19. The Collector, Collectorate of Customs (Adjudication I&II), Custom House, Karachi.
20. The Director, (Reforms and Automation (R&A), Custom House, Karachi.
21. The Director, (Reforms & Automation), Custom House, Karachi.
22. The Karachi Chamber of Commerce & Industry, Karachi.
23. The Federation of Pakistan Chambers of Commerce and Industry, Karachi.
24. The Karachi Custom Agents Association, Karachi.
25. M/s. ABB Power & Automation (Pvt) Limited, Office No. 804, 8th Floor, 301-R, Haly Tower, Phase-II, Lalik Jan Chowk, DHA, Lahor.
26. Notice Board.


(Ammara Durrani)
Additional Collector
Chairman Classification Committee