



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



No. C-90/KAPE/DC-PCT/2018

Dated: 07-05-2026

PUBLIC NOTICE No. 41 /2026

Subject: CLARIFICATION REGARDING CLASSIFICATION OF MULTI-PURPOSE LUBRICATING PREPARATIONS

01. It has been observed that classification disputes are repeatedly arising in respect of certain imported products described as lubricants, industrial oils, die-casting oils, heat transfer oils, and release agents. The primary issue relates to their classification under PCT Heading 2710 or PCT Heading 3403 of the Pakistan Customs Tariff.

02. In a recent case, a product declared as a "lubricating preparation" was claimed under PCT Heading 3403 on the basis that it performs a lubricating function. However, upon examination and scrutiny of technical literature and MSDS, it was revealed that the product: Contains more than 70% petroleum oil by weight; is used for multiple industrial applications. including:

- (a) Pressure die-casting
- (b) Forging operations
- (c) Heat transfer
- (d) Plunger lubrication
- (e) Release agent in industrial processes
- (f) Is not exclusively or principally used as a lubricant;
- (g) Does not fall within the categories of waste oil or biodiesel.

Chief (TPS)

Muhammad Abu Bakar Siddique
Chief (TPS)

13/5/2026

Seey (TE) / Webmaster

03. A meeting of the Classification Committee was convened, attended by representatives of the department as well as the importer. Detailed submissions were made and carefully examined in light of the Pakistan Customs Tariff, relevant Chapter Notes, and Harmonized System (HS) Explanatory Notes.

04. The importer contended that:

- (i). The product is commercially known and marketed as a lubricant;
- (ii). It is used in industrial machinery and die-casting processes;
- (iii). Since it performs a lubricating function, it should be classified under PCT Heading 3403;
- (iv). The product is not fuel oil and therefore should not fall under Chapter 27.

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05. The departmental position, based on composition, characteristics, and usage, is as follows:

- (i). The product contains more than 70% petroleum oil, which constitutes its essential character;
- (ii). The product is not exclusively or principally used for lubrication, but rather serves multiple industrial functions, wherein lubrication is only incidental;
- (iii). As per the relevant Chapter Notes and HS Explanatory Notes:
 - (a) PCT Heading 3403 applies to preparations specifically and ordinarily used as lubricants;
 - (b) Preparations having multi-functional industrial uses are excluded from Heading 3403;
- (iv). The product does not contain biodiesel nor qualifies as waste oil;
- (v). The composition and description conform to Heading 2710, i.e.:
"Petroleum oils and oils obtained from bituminous minerals, containing by weight 70% or more of petroleum oils, these oils being the basic constituents of the preparation."

06. The Classification Committee examined the scope of both headings and observed:

- (i) The Heading 3403 applies only when:
 - The product is ordinarily and primarily used as a lubricant;
 - The product is not predominantly petroleum oil-based;
 - The product does not perform multiple independent industrial functions.
- (ii) The PCT 2710 covers petroleum oils and preparations containing 70% or more by weight of petroleum oils, where such oils constitute the basic component, irrespective of their industrial application, provided they are not more specifically covered elsewhere. The subject product fulfills these criteria.

Since the subject product:

- Is petroleum-based ($\geq 70\%$),
- Has multiple industrial applications, and
- Is not restricted to lubrication.

it is excluded from classification under PCT Heading 3403.

07. The Classification Committee holds that products:

- Containing 70% or more petroleum oil,
- Having multi-purpose industrial applications,

- Not restricted solely to lubrication, and
- Not classifiable as biodiesel or waste oil,

shall be appropriately classified under PCT Heading 2710 of the Pakistan Customs Tariff by application of GRI 1

08. This determination is based on the information and documentation available on record and may be withdrawn if found to be based on incomplete, incorrect, or misleading information.

09. This Public Notice is issued under Chapter-II (Classification) of CGO 02/2025 dated 24.03.2025. Any appeal shall lie before the Board in terms of the relevant provisions 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-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 Chief Collector of Custom (Appraisalment), South, Custom House, Karachi.
6. The Chief Collector of Custom (Enforcement), South, Custom House, Karachi.
7. The Chief Collector of Custom (Exports), Custom House, Karachi.
8. The Chief Collector of Custom (Appraisalment), Central, Custom House, Lahore.
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10. The Chief Collector of Custom (North), South, Custom House, Islamabad.
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13. The Collector, CoC, Appraisalment (East), Custom House, Karachi.
14. All Collectorates/Directorates
15. The Director, Reforms and Automation (R&A), Custom House, Karachi.
16. The Karachi Chamber of Commerce & Industry, Karachi.
17. The Federation of Pakistan Chambers of Commerce and Industry, Karachi.
18. The Karachi Custom Agents Association, Karachi.
19. M/s. Hardcastle Waud (Pvt) Limited, Office No. 101, Anum Blessings, Sultan Ahmed Shah Road, Duty Free Shop, Karachi.
20. Notice Board.

(Ammara Durrani)

Additional Collector/

Secretary to the Classification Committee