



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



C-199/KAPE/PCT/2022

Dated: 07.11.2022

PUBLIC NOTICE NO. 10/2022

SUBJECT: **DETERMINATION OF CLASSIFICATION OF ITEM 'COBAS P 501 POST-ANALYTICAL UNIT'.**

The Collectorate of Appraisal, East, Karachi vide letter C.No.SI/Misc/721/2022/DC-VI/KAPE dated 21.05.2022 forwarded a reference for determination of appropriate classification of 'Cobas P 501 Post-Analytical Unit' imported by M/s Rosche Pakistan Limited (NTN No.0711885). The referring Collectorate was of the view that impugned goods were classifiable under PCT 8418.6990, on the basis of essential character/principal function of the machinery, being a storage refrigerated machinery with storage capacity of 13,500 samples in controlled temperature with the additional function of rack and tube identification, sample capping, sorting system and disposal of expired or left-over samples. On the other hand, importer M/s Rosche Pakistan Limited (NTN No.0711885) contended that their goods were classifiable under PCT 8428.9090 as the main functionality of the entire module was hydraulic robotic movement of sample tube with labeling, sealing and stacking operation for storing the leftover samples in a storage area, therefore the functional operation of unit is lifting, handling, loading, unloading and stacking.

2. Meetings on the subject matter were held on 14.06.2022 and 01.10.2022 which were attended by the representatives of the importer and the members of Classification Committee. The representatives of the importer explained the functions of unit that the product in question was designed to handle, store and retrieve the biological sample tubes in racks in an organized manner. They explained before the Committee that the impugned 'Cobas P 501 Post-Analytical Unit' is fully automatic system, in the form of a modular device system consisting of an input compartment, optical image processing with rack-and-tube identification camera, sample capper, one tube and one rack handling unit each and sorting system, in a standing housing with touch-screen operating and control unit and an attached, storage area with capacity 13500 tubes (at 04-08 degree Celsius) and waste container, - for use in laboratories for needs-based provisions / supply (characteristic main activity), storage and for separating out reagent samples as part of sample preparation.

3. The Committee observed that 'Cobas P 501 Post-Analytical Unit' consists of six major functional components like input/output area, connected input/output area, rack and tube type identification, re-stopper/de-stopping, storage area and automated washing area, connected with one and other by powerful robotics.

4. For classification of product under consideration, the Classification Committee considered the following PCT headings:

(i) 8418.6990 (--- other)

(ii) 8428.9090 (--- other)

5. The Committee observed that PCT heading 8418 covers "***Refrigerators, freezers and other refrigerating or freezing equipment, electric or other; heat pumps other than air conditioning machines of heading 84.15***". The Explanatory Notes to HS for 8418, state as under:

"(I) REFRIGERATORS, FREEZERS AND OTHER REFRIGERATING OR FREEZING EQUIPMENT

The refrigerators and refrigerating equipment of this heading are in the main machines or assemblies of apparatus for the production, in a continuous cycle of operations, of low temperatures (in the region of 0°C or less) at the active cooling element, by the absorption of the latent heat of evaporation of liquefied gases (e.g. ammonia, halogenated hydrocarbons), of volatile liquids or, in the case of certain marine types, of water."

6. The Committee observed that the instant unit has no ability to maintain temperatures in the region of 0°C or less; hence out of the purview of HS Code 8418 as the Catalogue of the impugned goods states of storage area with temperature of 4°C to 8°C.

7. The Committee also considered the CROSS RULING N070736 dated 26.08.2009 issued by the United States Customs and BTI ruling DEBT133133/19-1 issued by the European Commission, which were submitted by the representatives of the importer in support of their contention that the goods fall under PCT 8428.9090. The Committee observed that these rulings were issued in pursuance of classification of instant 'Cobas P 501 Post-Analytical Unit' on the basis of their principal functionality of lifting, handling, loading and unloading.

8. The Committee considered Section Note 3 to Section XVI on the basis of multi-functionality as enumerated in the Catalogue. Section Note 3 to Section XVI states as under:

“3. Unless the context otherwise requires, composite machines consisting of two or more machine fitted together to form a whole and other machines designed for the purpose of performing two or more complementary or alternative functions are to be classified as if consisting only of that component or as being that machine which performs the principal functions.”

9. The Committee noted that the impugned unit is composite machine and in light of Section Note 3 of Section XVI, its principal function is of handling and storing sample tubes in racks in an organized manner. Further, ‘Cobas P 501 Post-Analytical Unit’ works with hydraulic robotic movement of sample tube with labeling, sealing and stacking operation for storing the leftover samples in storage area. Therefore, this seamless, integrated lifting, loading, unloading unit of composite machine will be guiding factor for determination of HS heading of the entire composite module of ‘Cobas P 501 Post-Analytical Unit’. The Committed also observed that a similar function is also stated in Explanatory Notes to Heading 8428 as “*Industrial Robots specially designed for lifting, handling, loading or unloading*” under “(III) Other Special Lifting or Handling Machinery”.

10. In view of the above, the Classification Committee is of the view that ‘Cobas P 501 Post-Analytical Unit’ is appropriately classified under PCT heading 8428.9090 by application of GIR 1, 3(b) and Section Note (3) of Section XVI.

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 including literature / catalogue provided by the applicant 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 by the importer.

12. Public Notice is issued in terms of Chapter-II (Classification) of CGO 12/2002 dated 15.06.2002.

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(Mushtaq Ali Shahani)
Additional Collector of Customs/
Chairman Classification Committee

Copy for information to:

1. The Member Customs (Policy / Operations), Federal Board of Revenue, Islamabad.
2. The Member (Customs Legal & Accounting), Federal Board of Revenue, Islamabad.
3. The Member (FATE), Federal Board of Revenue, Islamabad with the request to publish this ruling on FBR website.

4. The Chief Collector of Customs (Appraisalment) South, Custom House, Karachi.
5. The Chief Collector of Customs (Enforcement) South, Custom House, Karachi.
6. The Chief Collector of Customs (Appraisalment) Central, Custom House, Lahore.
7. The Chief Collector of Customs (Enforcement) Central, Custom House, Lahore.
8. The Chief Collector of Customs (North), Custom House, Islamabad.
9. The Chief Collector of Customs (Balochistan), Custom House, Quetta.
10. The Collectorate of Customs (Appraisalment) West/East/PMBQ Custom House, Karachi.
11. The Director, Reforms and Automation (R&A), Custom House, Karachi with the request to incorporate this ruling in WeBoC.
12. The Project Director, WeBoC*Glo*, Custom House, Karachi for necessary action.
13. M/s Roche Pakistan Pvt Ltd, 37-B, BLOCK 6, PECHS, Jamshed Town Karachi East.
14. Mr. Farukh Saleem, Consultant Office No.02, Karsaz Town, Plot No.FL-12, BLOCK 5 KDA Scheme-5, Kekashan Clifton, Karachi.
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.



(Mushtaq Ali Shahani)
Additional Collector of Customs/
Chairman Classification Committee