

GOVERNMENT OF PAKISTAN  
(REVENUE DIVISION)  
FEDERAL BOARD OF REVENUE

\*\*\*\*\*

C.No.10(1)L&P/2025

Islamabad, the 24<sup>th</sup> March, 2025.

**CUSTOMS GENERAL ORDER NO. 02 OF 2025**

SUBJECT: **METHODOLOGY FOR SETTLEMENT OF CLASSIFICATION DISPUTES- AMENDMENT IN CUSTOMS GENERAL ORDER NO. 12 OF 2002 DATED 15.06.2002**

The Federal Board of Revenue is pleased to direct that the following further amendments shall be made in Customs General Order No. 12 of 2002 dated the 15<sup>th</sup> June, 2002, namely: -

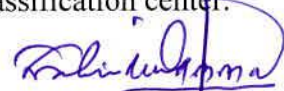
In the aforesaid order, for para 2, the following shall be substituted; -

**“2. METHODOLOGY FOR SETTLEMENT OF CLASSIFICATION DISPUTES: -** In terms of proviso to section 18E of the Customs Act, 1969 relating to constitution of a committee or center for the purpose of settlement of disputes regarding classification of goods, the following procedure is hereby prescribed:

- (i) Routine classification matters shall continue to be decided by the respective Collectorates at their own level. Classification disputes may be referred to the Classification Centre already established at the Collectorate of Customs Appraisalment-East, Karachi with the approval of the concerned Collector/Director.
- (ii) Classification Centre shall perform the following functions:
  - (a) to examine and settle classification disputes referred either by Customs Collectorates/Directorates or other formations of Customs or by the traders;
  - (b) to compile and print classification rulings on yearly basis;
  - (c) to create and preserve a database containing all classification rulings and the related documents/publications/information;
  - (d) to maintain contacts and exchange information regarding classification matters with World Customs Organization (WCO) through Board;
  - (e) Capacity building of officers and staff in the field on HS classifications in co-ordination with the Customs Academy of Pakistan
- (iii) The Classification Centre shall be run and managed by a classification committee which shall decide the classification disputes and issue classification rulings. The classification committee shall henceforth comprise of three members- Collector of Customs, Appraisalment-East, Collector of Customs Appraisalment-West and Collector of Customs, SAPT, Karachi. The Additional Collector (Hqrs), Collectorate of Customs Appraisalment-East, Karachi shall act as secretary to the classification committee. The committee may co-opt officers/officials of other Collectorates/Directorates. One

representative from FPCCI and the concerned trade association dealing in the goods under dispute shall be included in the proceedings of the classification committee. The committee may also call lab in charge, specialists and experts for expert opinion in determining classification of an item. The committee shall meet at least twice a month but may hold as many meetings as required to dispose of the work. The committee may conduct online meetings whenever necessary.

- (iv) The committee shall examine each dispute and decide the classification in accordance with the Pakistan Customs Tariff, WCO rulings, explanatory notes etc.
- (v) On receipt of any request or reference regarding classification of goods, the committee may seek opinion from any Collectorate or Directorate of Customs or Laboratory as soon as possible. Thereafter, the case will be presented in the meeting of the classification committee where the trader or his authorized representative shall also be invited. The committee may also direct the trader to supply any other information or document as it may deem necessary before making its decision.
- (vi) In case of any disagreement among three members of the committee i.e. Collectors of Customs, Appraisement-East/West and SAPT, Karachi, majority decision shall prevail.
- (vii) All fresh classification disputes shall be decided through classification rulings within one hundred twenty (120) days of receipt of dispute in the Classification Centre/Committee. The time period of 120 days shall be further extendable by 30 days by the Chief Collector of Customs Appraisement-South, Karachi, for reasons to be recorded. All previously pending cases shall preferably be decided within one hundred twenty days but not later than 31<sup>st</sup> August, 2025. The Secretary to the Classification Committee shall be responsible for timely submission of pending cases to the committee for decision.
- (viii) The classification rulings shall be widely circulated in the form of a Public Notice amongst the trade, customs formations and the Board.
- (ix) Any local classification committee, if working in any Collectorate/ Directorate, shall stand dissolved and its pending cases shall be referred to the classification committee immediately by the concerned Collector/Director.
- (x) The Collectorate of Customs Appraisement-East, Karachi shall provide logistic support, space and human resources as may be required for the smooth running of the classification center."

  
(Zakir Muhammad)

Secretary (Law & Procedure)