



GOVERNMENT OF PAKISTAN
MODEL CUSTOMS COLLECTORATE OF APPRAISEMENT-EAST
CUSTOM HOUSE, KARACHI.



C. No. (635) KAPE-DC(PCT)2015

Dated: 23-08-2017

Public Notice No. // /2017-A (Classification)
(Amendment in P.N No. 8/2016)

Subject: **CLASSIFICATION OF PRODUCT ALUMINUM COMPOSITE PANELS**

The matter of Classification of 'Aluminum Composite Panels' was forwarded by the Model Customs Collectorate, Islamabad in pursuance of directives of the Appellate Tribunal for determination of correct HS Code.

2. The meeting of the Classification Committee was held on 18-7-2016 which was attended by the importer's representatives with the contention that the subject goods attract HS Code 74.06 as the panels are made of Aluminum. They promised to provide documentary evidence including catalog/ literature etc., of the impugned goods and their usage to the Committee. Subsequently, importer neither turned up nor any document/catalog / literature were provided. As a result, a letter dated 10-09-2016 was sent to them but neither they replied nor provided any material / catalog / literature. Finally, committee was left with no option than considering the matter in the light of information/ specifications provided by the Model Customs Collectorate, Islamabad, wherein the description of the under reference item was stated as "Construction Material".

3. The Committee, keeping in view of the stated description by the referring Collectorate as "Construction Material", classified the product namely "Aluminum Composite Panels", being structural parts under PCT heading 7610.9000 through application of GRI Rule1, vide Public Notice No. 8/2016 dated 8th October 2016.

4. Subsequently, a representation was received from M/s Subcontinent FD Indent House, Karachi for review of the above said Classification Ruling on the ground that their imported goods 'Aluminum Composite Panels' are not in the form of prepared articles for use in structure nor the same can be considered as building construction material but the same is in the

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form of rectangular sandwich sheets made of Aluminum and are to be classified under HS Code 76.06. In addition, they provided a copy of WCO classification ruling whereby the under reference product was classified by WCO under HS CODE 76.06 in their 20th session meeting.

5. The matter of review of the Classification Ruling was considered by the Classification Committee during its meeting held on 16th December, 2016 which was attended by Mr. Nasim Yousuf and Mr. Khawaja Tariq on behalf of M/s Subcontinent FD Indent House. The Committee has examined the case on the basis of available record and back grounds of the classification ruling issued earlier vide Public Notice No. 8/2016 as well as in the light of samples and catalog provided at this stage. The importer's representatives placed reliance, besides other arguments, on classification decision taken by the Harmonized System Committee of World Customs Organization (WCO) Brussels, Belgium in its 20th session. Besides above, several in-house meetings of the Committee were also conducted, wherein, the issue was discussed in detail.

6. The Committee observed that the product, for which review has been sought, is Aluminum Composite Panel also known as Coated Aluminum Cladding Sheets, consisting of two Aluminum Sheets which are bonded on the Polyethylene thermoplastic core to form a sandwich panel, overall thickness of panels is 3mm, 4mm & 6mm, the same is supplied in width of 1000 mm, 1250 mm and 1500 mm and of length 2440 mm and is used for external and internal wall claddings. The same is not in the form of prepared structures or construction Material.

7. While deliberating on the issue, the Committee observed that HS Code 76.10 covers Aluminum Structures (Excluding Prefabricated Building of Heading 94.06) and Part of Structure, the terms of Headings of HS Code 76.10 are replica of the terms of Heading of HS Code 73.08 except for constituent material. ENs to Heading 73.08 describes that;

“this heading covers complete or incomplete metal structures, as well as parts of structures. For the purpose of this heading, these structures are characterized by the fact that once they are put in position, they generally remain in that position. They are usually made up from bars, rods, tubes, angles, shapes, sections, sheets, plates, wide flats including so-called universal plates, hoop, strip, forgings or castings, by riveting, bolting, welding, etc. Such structures sometimes incorporate products of other headings such as panels of woven wire or expanded metal of heading 73.14. Parts of structures include

clamps and other devices specially designed for assembling metal structural elements of round cross-section (tubular or other). These devices usually have protuberances with tapped holes in which screws are inserted, at the time of assembly, to fix the clamps to the tubing”

The Explanatory Notes further elaborate that ‘the heading also covers parts such as flat-rolled products, “wide flats” including so-called universal plates, strip, rods, angles, shapes, sections and tubes, which have been prepared (e.g., drilled, bent or notched) for use in structures.

8. The Committee further examined the scope of HS Code 76.06 which covers Aluminum Plates, Sheets and Strip of a thickness exceeding 0.2mm. According to Note 1(d) of Chapter 76, Plates, sheets, strip and foil means ‘Flat-surfaced products (other than the unwrought products of heading 76.01), coiled or not, of solid rectangular (other than square) cross-section with or without rounded corners (including modified rectangles of which two opposite sides are convex arcs, the other two sides being straight, of equal length and parallel) of a uniform thickness, which are:

- of rectangular (including square) shape with a thickness not exceeding one-tenth of the width,
- of a shape other than rectangular or square, of any size, provided that they do not assume the character of articles or products of other headings.

9. The Committee noted that under consideration product is composite Article of Aluminum which consists of two Aluminum Sheets which are bonded on the Polyethylene thermoplastic core to form a sandwich panel. Classification of such composite goods is governed by GRI 3(b) which prescribes that the composite goods consisting of different materials or made up of different components shall be classified as if they consisted of the material or component which gives them their essential character. In this case, Aluminum Sheets are bonded together on the Polyethylene thermoplastic core. The same is not drilled nor bent or notched, also not has the character of an article meant ready to use in ‘building structure’ or ‘construction material’, therefore gives the essential character of Aluminum Sheets.

10. Besides above, the issue was also examined in detail in the light of classification decision taken by the HSC of WCO in their 20th session meeting, whereby similar article was classified under HS Code 76.06 by giving following classification Rationale and Observations.

“It was agreed that the product at issue was a composite goods consisting of two flat-rolled products of aluminum and an inner layer of plastics. The classification of composite goods was governed by General Interpretative Rule 3(b). It was the visible part, i.e. the flat-rolled product, which gave the whole its essential character. The General Explanatory Note to chapter 72, which is referred to in chapter 76, made clear that the products of that chapter could be combined with a coating of plastics; moreover, there was no legal provision preventing flat-rolled products from being combined or laminated with a layer of plastics. Since the product consisted of clad, plated or coated metal sheets, the committee agreed that they corresponded to the texts of heading 76.06 and should be classified in that heading (subheadings 7606.11 to 7606.92) thus precluding the possibility of classification in heading 76.13 was only the residual heading”.

11. In view of the above and in the light of General Interpretation Rules, Committee arrived at conclusion that the product ‘Aluminum Composite Panels’ presented in the shape of Plates, sheets, and strips whether or not coiled, of solid rectangular (other than square) cross-section with or without rounded corners of a uniform thickness, which are of rectangular (including square) shape with a thickness not exceeding one-tenth of the width are correctly classifiable under PCT Heading 76.06 through application of GRI 3(b).

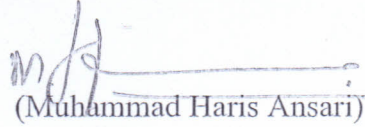
12. Therefore, Classification Committee, in consideration of the facts of the case, product analysis and in consultation of aforesaid legal position, suggested partial modification in the Classification Ruling issued earlier vide Public Notice No. 8 / 2016 dated 8th October, 2016, in order to ensure correct classification of the impugned product, keeping in view the physical attributes of the goods.

14. Accordingly Para 10 of the Classification Ruling issued earlier vide Public Notice No. 8 / 2016 dated 8th October, 2016 is modified as under:

10(a) Aluminum Composite Panels presented in the form of Plates, sheets, and strips whether or not coiled, developing the essential character of Composite Aluminum Sheets shall be classified under PCT heading 7606.1100 (if not alloy)

and 7606.1200 (if alloy) subject to the condition that they do not assume the character of Prepared Article for use in structure.

10(b) Aluminum composite panels which have been prepared (e.g., drilled, bent or notched) for use in structures shall be classified under PCT 7610.9000 as decided earlier vide Public Notice No. 8/2016 dated 8th October 2016.


(Muhammad Haris Ansari)

Additional Collector-I
Chairman Classification Committee

Distribution:

1. PS to Member (Customs), Federal Board of Revenue, Islamabad.
2. Chief Collector of Customs (Appraisalment-South), Custom House, Karachi.
3. Chief Collector of Customs (Enforcement-South), Custom House, Karachi.
4. Chief Collector of Customs (Central/North) Custom House, Lahore / Islamabad.
5. Director General, Intelligence & Investigation-FBR, Mauve Area-1, G-10/4, Islamabad.
6. Chief (Tariff), Customs Wing, Federal Board of Revenue, Islamabad.
7. Collector of Customs Adjudication I & II, Customs House, Karachi.
8. Collector, MCC (Adj/Appeals), Lahore / Faisalabad / Rawalpindi / Peshawar / Quetta.
9. M/s Subcontinent FD Indent House (Importer & Indenter), H. # 531, Street 15, Phase-4, Bahria Town, Rawalpindi.
10. Karachi Chamber of Commerce & Industry, Karachi.
- 11 ✓ Karachi Customs Agents Association, Custom House, Karachi.
12. Notice Board.
13. Master File.