



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



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C-144/KAPE/DC/PCT/2020

Dated: 08.12.2022

**PUBLIC NOTICE NO. 12/2022**

SUBJECT: **CLASSIFICATION OF 'VINYL COMPOSITION TILES'**

The Collectorate of Customs, Appraisalment (East), Karachi forwarded references vide letters No.SI/MISC/632/2019-DC-Gr-IV dated 23.11.2019 & 21.04.2020 for Customs classification of 'Vinyl Composition Tiles'.

2. Brief facts as reported by the referring Collectorate are that importer M/s. Wall Master, 172-H, Block-2, PECHS, Karachi East, Jamshed Town, Karachi imported 'Vinyl Composition Tiles' from China vide GDs No.KAPE-HC-192195-22-05-2019 No.KAPE-HC-105317-02-01-2019, claiming the classification of goods under PCT heading 6809.1100. The good were examined and also lab tested through Customs House Laboratory, Karachi which reported as under:

*1(a) Receipt No. 107487*

*The sample is in the form of brown color self design floor tile. On test is found to be composition tile consist of vinyl chloride in association with substantial amount of filler (Calcium Carbonate & other additive etc).*

*% age of inorganic filler ---- 79.29% and*

*1(b) Receipt No. 103046*

*The sample is in the form of brown color wood design floor covering / tile. On test is found to be a laminated tile consisting of two layers. Grey Layer composed of polyvinyl chloride. Substantial amount of filler Calcium Carbonate in association with coloring matter etc. It is covered with wood design lacquered layer composed of polyvinyl chloride and coloring matter etc ... composition tile.*

*%age of calcium carbonate = 55%*

*%age of polyvinyl chloride = 45%*

*Note: Report pertains only samples forwarded / tested as per available facilities in the laboratory."*

2. Receipt No. 148510,

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**ZAHID BASHIR CHAUDHRY**  
(General Secretary)  
Karachi Customs Agents Association

*Report: "The sample is in the form of wood embossed design printed brown color rectangular shape floor covering with grey color backing, on test is found to be laminated plastic sheet consisting of wood embossed design printed plastic sheet composed of PVC. It is laminated on lower side with grey color thick sheet composed of PVC, in association of substantial amount of filler calcium carbonate*

*%age of filler (Calcium Carbonate) = 60%*

3. The Collectorate of Customs, Appraisalment (East), Karachi classified the impugned goods under PCT heading 3918.1000 in view of examination report, Explanatory Notes of 3918 and Cross Customs Classification Ruling No.N296602 dated 01.06.2018. On the other hand, the importer did not agree with the classification of the Collectorate on the ground that the imported goods consisted of Calcium Carbonate which is more than 50%, hence classifiable under PCT heading 6809.1100.

4. The meetings of Classification Committee were held 02.12.2020, 04.11.2021 13.01.2022 and 12.11.2022. The meeting dated 12.11.2022 was attended by the representatives of the importers, the Collectorate of Customs, Appraisalment (East), Karachi and members of the Classification Committee. The representatives of the referring Collectorate reiterated their earlier stance that the impugned goods fall under the PCT heading 3918.1000. The representatives of the importers contended that their impugned goods simply consisted of fillers and calcium and recycled material which covers around 90% of the thickness, therefore, their products do not fall under PCT heading 3918.1000 as determined by the Collectorate. The representatives of the importers further asserted that impugned goods on the basis of their composition of substantial amount of filler Calcium Carbonate fall under HS Code 68.09. The representatives of the importers further contended that due to considerable amount of fillers, impugned goods are cheaper than other types of flooring tiles.

5. The Classification Committee has gone through the arguments and documents put forth and also considered the relevant provisions of law dealing with the HS classification. The Classification of any imported goods under Pakistan Customs Tariff is determined under the General Rules for the Interpretation (GIR) of First Schedule to the Customs Act, 1969. The terms of the two headings under consideration i.e. 39.18 and 68.09 are reproduced below:

39.18	<i>Floor coverings of plastics, whether or not self-adhesive, in rolls or in the form of tiles; wall or ceiling coverings of plastics, as defined in Note 9 to this Chapter</i>
68.09	<i>Articles of plaster or of compositions based on plaster.</i>



6. As per explanatory notes of HS Code 39.18, this heading covers '*Floor coverings of plastics, whether or not self-adhesive, in rolls or in the form of tiles; wall or ceiling coverings of plastics, as defined in Note 9 to this Chapter*'. Explanatory notes further state that '*the first part of the heading covers plastics of the types normally used as floor coverings, in rolls or in the form of tiles. It should be noted that self-adhesive floor coverings are classified in this heading. The second part of the heading, the scope of which is defined in Note 9 to this Chapter, covers wall or ceiling coverings of plastics, including those with a textile backing*'. The Note 9 to Chapter 38 states '*For the purposes of heading 39.18, the expression "wall or ceiling coverings of plastics" applies to products in rolls, of a width not less than 45 cm, suitable for wall or ceiling decoration, consisting of plastics fixed permanently on a backing of any material other than paper, the layer of plastics (on the face side) being grained, embossed, coloured, design-printed or otherwise decorated*'.

7. The Committee also considered HS Code 68.09. The Committee observed that as per explanatory of HS Code 68.09, this heading covers '*articles of plaster or of plastering materials, coloured or not, such as stucco (plaster mixed with a solution of glue, and which, after moulding, often has the superficial appearance of marble), fibrous plaster (plaster reinforced with wisps of tow, etc., and generally mixed with a solution of gelatin or glue), alumed plaster (also called Keene's cement or English cement), and similar preparations which may contain textile fibres, wood fibre, sawdust, sand, lime, slag, phosphates, etc., but in which plaster is the essential element. These articles may be dyed, varnished, waxed, lacquered, bronzed, gilded or silvered (by any process), or sometimes coated with asphalt; they may also be reinforced. The heading includes panels, boards, sheets or tiles, sometimes faced with paperboard, used in the building industry; and moulded articles such as casts, statues, statuettes, rosettes, columns, bowls, vases, ornamental goods, industrial moulds*'. The Committee observed that this heading covers only articles of plaster or of compositions based on plaster.

8. The Committee consulted the lab test reports. The Committee observed that as per lab report, the impugned goods do not comprise of plaster or of compositions based on plaster, therefore, do not fall under HS Code 68.09. As per lab report the impugned tiles consist of vinyl chloride in association with substantial amount of filler Calcium Carbonate. The impugned goods are PVC tiles, containing filler such as calcium carbonate which is permitted additions to plastics of chapter 39 and there is no exclusion of such goods from the Chapter and that PVC is of essential characteristic of the product.



9. The Classification Committee also deliberated upon international practices and decisions on the subject goods and observed that as per internet, impugned goods and similar goods are sold and exported under heading 3918. The Committee further observed that there were multiple Cross Customs Classification Rulings, like NY N327606 dated 24.08.2022, NY N309730 dated 06.03.2020, NY 271463 dated 05.01.2016, NY N257782 dated 22.10.2014, etc, which also classified such products under heading 3918.

10. Foregoing in view, Committee is of the view that the imported 'Vinyl Composition Tiles' are classifiable under PCT heading 3918.1000, under GIR 1.

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 importer/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 12/2002 dated 15.06.2002.

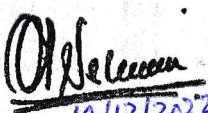
**(Mushtaq Ali Shahani)**  
Additional Collector of Customs/  
Chairman Classification Committee

**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 (East/West/PMBQ), 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, WeBoCGlo, Custom House, Karachi for necessary action.
13. M/s Master, 172-H, Block-2, PECHS, Karachi East, Jamshed Town, Karachi
14. M/s Sataish Enterprises, E-31, 6 H 6 Ali,, St No.03, Al Noor Town, Walton Cantt, Lahore
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.

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

  
10/12/2022  
Muhammad Asif Islam  
Office Secretary  
Karachi Customs Agents Association

  
**ZAHID BASHIR CHAUDHRY**  
(General Secretary)  
Karachi Customs Agents Association