Circular No.14 / 2012 - Customs

F. No. 528/23/2012-STO (TU)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs
Tariff Unit
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New Delhi, the 11th June, 2012.

To

All Chief Commissioners of Customs/ Customs (Prev.)/ C&CE,
All Directors General of CBEC,
All Commissioners of Customs / Customs (Prev.) / C&CE
All Commissioners of Customs & Central Excise (Appeals).

Sir / Madam,

Subject: Classification of Rail Cum Road Vehicle - regarding.

Board has received representations regarding divergent practice followed in the classification of rail cum road vehicles. Reportedly, field formations are classifying such vehicles both in chapter 86 which covers, "*Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds"*, and in chapter 87 which covers, "*Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof*."

2. The correct classification of Road-Rail-Vehicle or Rail Cum Road Vehicle was examined in the Board. The General Rules of Interpretation (GRI), Rule 1 inter alia states that, "...for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes...". Note 4 (a) to Section XVII states that, "For the purposes of this Section, vehicles specially constructed to travel on both road and rail are classified under the appropriate heading of Chapter 87...". On the basis of the said legal section Notes to Section XVII, the "dual mode vehicle capable of being used as "rail cum road vehicle" - specially constructed to travel on both road and rail should fall under an appropriate heading in Chapter 87. As such, Board is of the considered view that the correct classification in the harmonised Customs Tariff in case of Rail cum Road Vehicles should be in the appropriate heading in Chapter 87 by application of GRIs 1 (Note 4 (a) to Section XVII).

3. All pending provisional assessment cases of Rail Cum Road Vehicle imports may be finalised on the basis of above instructions. Difficulties, if any, in implementation, may be brought to the notice of the Board.

Yours faithfully,

(Subodh Singh),
OSD (Customs), Tariff Unit,
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