Circular No.13 / 2013 - Customs

F.No. 528/104/2011-STO (TU)
Government of India
Ministry of Finance
Department of Revenue
Central Board of Excise & Customs

229A, North Block, New Delhi,
5th April, 2013

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).

IndiaCode

Sir / Madam,

Subject: **Classification of "Low Noise Block" (LNB) down converter in the harmonised Customs Tariff** - regarding.

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Doubts have been raised regarding classification of Low Noise Block (LNB) down converter which is designed to be mounted on aerial (dish) of a system for receiving satellite broadcasts (Satellite Television Reception System). The **low-noise-block (LNB) down converter** amplifies the weak signals and converts the frequencies from very high levels (2.5 to 12.45 GHz) to levels within the VHF and UHF range (less than 2 GHz). The competing Customs tariff headings are 8525 (as transmission apparatus), 8529 (as part to be used with dish antenna, and 8543 (as electrical machines and apparatus having individual functions, not specified or included elsewhere in chapter 85)**.**

2. The issue was examined in the Board. Classification of goods in the First Schedule under the Customs Tariff Act (CTA), 1975 is determined on the basis of the General Rules of Interpretation (GRI). Rule 1 of GRI inter alia provides that, *"the titles of Sections, Chapters and sub-Chapters are provided for ease of reference only; for legal purposes, classification shall be determined according to the terms of the headings and any relative Section or Chapter Notes ..".* Accordingly, in view of the Section Note 2(a) to Section XVI, LNB will not qualify for classification in heading 8529, if it is regarded as transmission apparatus of heading 8525 or of heading 8543, as a device performing an electrical function not specifically covered by any heading of Chapter 85, since the said Section Note stipulates that "parts which are goods included in any of the headings of Chapter 84 or 85 (other than headings 84.09, 84.31, 84.48, 84.66, 84.73, 84.87, 85.03, 85.22, 85.29, 85.38 and 85.48) are in all cases to be classified in their respective headings".

3. The Harmonized Commodity Description and Coding System (HS) Explanatory Notes can be used to determine the proper interpretation of the entries in the Customs Tariff. In part, Explanatory Note (EN) 8543 includes, "*High or intermediate frequency amplifiers (including measurement amplifiers and aerial amplifiers)",* and Explanatory Notes to heading 85.18 also provides for, "*High or intermediate frequency amplifiers are classified in heading 85.43 as electrical appliances having an individual function".* Since the principal function of Low-Noise-Block (LNB) down converter is to amplify the weak signals and converts the frequencies from very high levels (2.5 to 12.45 GHz) to levels within the VHF and UHF range (less than 2 GHz), and this device performs an electrical function not specifically covered by any heading, the classification in subheading 8543 would seem most appropriate.

4. In view of the aforesaid, the Board is of the view that by application of GRIs 1 (Note 2 (a) to Section XVI), and 6, separately presented LNB down converter (LNB) would be appropriately classifiable in heading 85.43, more specifically in subheading 8543.70, tariff item 854370 99.

5. Accordingly, all pending classifications, if any, may be finalized. Suitable instructions may be given to the field formations. Difficulties, if any, faced in the implementation of this circular, may be immediately brought to the notice of the Board.

Yours faithfully,

(Subodh Singh),
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