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September 19, 2022

Shri R K Pathak
DDG (IC)
Department of Telecommunications

Subject:- Addendum to Technical write-up on non-carrier ethernet switches, POE switches, and Transceivers

Respected Sir,

Greetings from MAIT!

This bears reference to our earlier representation sent to Shri G.D.Lohani, JS-TRU regarding clarification on duties on Telecom products dated May 12, 2022 (**copy enclosed**). One of the issues raised in that representation was with reference to Customs Notification No. 57/2017 which states that all goods other than following goods, namely:

- (a) Wrist wearable devices (commonly known as smart watches);
- (b) Optical transport equipment;
- (c) Combination of one or more of Packet Optical Transport Product or Switch (POTP or POTS);
- (d) Optical Transport Network (OTN) products;
- (e) IP Radios;
- (f) Soft switches and Voice over Internet Protocol (VoIP) equipment, namely, VoIP phones, media gateways, gateway controllers and session border controllers;
- (g) Carrier Ethernet Switch, Packet Transport Node (PTN) products, Multiprotocol Label Switching Transport Profile (MPLS[1]TP) products;
- (h) Multiple Input/Multiple Output (MIMO) and Long-Term Evolution (LTE) products

will attract 10% BCD. Else, BCD rate is 20%.

Post this representation, MAIT delegation also met you at your office where you had suggested to share a technical write up on Carrier & Non-Carrier Ethernet Switches which was shared with you on September 5, 2022 (**copy enclosed**).

In addition to that technical write-up, we are attaching **some product photographs, function, technology description, HSN Codes of certain non-carrier ethernet switches, POE switches, and transceivers.** We are informed by the industry that they are not being given BCD exemption as per notification no. 57/2017 applicable for products falling under the HTS classification 85176290 and being asked to pay 20% duty rather than 10% as per the notification referred above.

The purpose of this technical document is to apprise DOT on the technicalities of these switches, POE switches, and transceivers which we believe shall help DOT in the accurate classification. **This further may be shared by DOT with CBIC after incorporating its comments to formulate an official document and may be treated as a single stop reference document for Customs Field officials to identify and assess correct duty structure/exemption corresponding to the product being imported.**

Look forward to your support.

With regards,

A handwritten signature in blue ink, consisting of several overlapping loops and a long horizontal stroke extending to the right.

Col. AA Jafri, Retd.
Dy. COO
(Acting Director General - MAIT)

CC: Ms. Limatula Yaden, Jt. Secretary (TRU II), Ministry of Finance

CC: Shri Rakesh Dahiya, Deputy Secretary (TRU I), Ministry of Finance

CC: Shri Vinay Kumar Nayak, Technical Officer (TRU), Ministry of Finance

Addendum to Technical write-up on non-carrier ethernet switches, POE switches, and Transceivers

Product Type & description	Description of Technology layer	Function	Photograph	Classification	MAIT Recommendations with Rationale
Switch and POE switch	<p>1. These products are not Optical transport equipments: They are used in Enterprise data centers and do not have the required technical specifications to be deployed in backbone network architecture that transport network traffic (voice, data, or images) through the optical medium across cities and countries.</p> <p>2. These products do not use Packet Optical Transport technology and are not used in backbone networks and therefore, cannot be called POTP or POTS.</p> <p>3. These products do not implement the OTN standard as specified in ITU-T G.709 and do not transport services over optical wavelengths in DWDM systems.</p> <p>4. These products are networking hardware that connects devices on a computer network by using packet</p>	<p>Campus switch that has the additional capability of providing power to PoE-capable connected devices like Access Point, IP Phone, Camera etc. Switches come in a series (e.g., 6200, 6300 etc.) and might have both non-PoE and PoE switches within the same series.</p>		85176290	<p>These products do not fall under any one of those items that are not eligible for BCD exemption per notification no. 57/2017 applicable for products falling under the HTS classification 85176290.</p> <p>Hence, they are eligible for 10% BCD and NOT 20%</p>

<p>Transceiver and SFP (Small form-factor pluggable) Module</p>	<p>switching to receive and forward data to the destination device. They cannot be considered as IP radios, soft switches or VoIP equipment, namely: VoIP phones, media gateways, gateway controllers or session border controllers;</p> <p>5. These products are not Packet Transport Node (PTN) products and cannot be considered as Multiprotocol Label Switching Transport Profile (MPLS-TP) products used in backbone industry.</p> <p>6. These switches and POE switches are non- Carrier Ethernet Switches.</p>	<p>SFP is a transceiver which at the point of import it is an accessory and by itself it has no transport capability.</p>		<p>85176290</p>	<p>These products do not fall under any one of those items that are not eligible for BCD exemption per notification no. 57/2017 applicable for products falling under the HTS classification 85176290.</p> <p>Hence, they are eligible for 10% BCD and NOT 20%</p>
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