

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/845/2016 **19618**

Dated: 13th October, 2016

**Order in Revision No. 252/2016 under section 25-D of the Customs Act, 1969
against Valuation Ruling No.890/2016 dated 27-07-2016**

- i. *This copy is granted free of charge for the private use of the person to whom it is issued.*
- ii. *An appeal against this Order-in-Revision lies to the Appellate Tribunal, Customs having jurisdiction, under section 194-A of the Customs Act, 1969, within stipulated period as prescribed under the law. An appeal should bear a court fee stamp of Rs.1000/- (Rupees one thousand) only as prescribed under schedule-II item 22 of the Court Fee Act, 1870 and must be accompanied by a copy of this Order.*
- iii. *An extra copy of appeal, if filed, should simultaneously be sent to this office for information and record.*
- iv. *If an appeal is filed, the appellant should state whether he desires to be heard in person or through an advocate.*

M/s Bicycle & Bicycle Spare Parts Importers Association PETITIONERS

VERSUS

Director, Customs Valuation, Karachi RESPONDENT

Date(s) of hearing 23-08-2016 & 21-09-2016

For the Petitioners Mr. M. Afzal Awan, Advocate

For the Respondent Mr. Abdul Majeed, Assistant Director
Mr. Safdar Abbas, Principal Appraiser

This revision petition was filed under section 25-D of the Customs Act, 1969 against customs value determined vide Valuation Ruling No.890/2016 dated 27-07-2016 issued under section 25-A of the Customs Act, 1969, inter alia on the following grounds:

2. Being aggrieved and dis-satisfied with the Valuation Ruling, bearing No. 890/2016 dated 27-07-2016, the applicant above- named submits as under:

3. That the learned respondent above-named, while framing the impugned Valuation Ruling, has frustrated the Customs Values of Bicycle Parts, established under Valuation Ruling No. 690/2014, dated 23-09-2014, determined under Valuation Method mandated under Section 25(9) of the Customs Act, 1969. The learned Director Valuation issued the captioned Valuation Ruling for "Bicycle Parts" without lawful basis, hence, issued arbitrarily.

4. That the said parts, under the earlier Valuation Ruling were categorized into two main groups such as (i) Bicycle Component and Parts of *Metal* and (ii) Bicycle Component and Parts



of Rubber. Whereas, the impugned valuation ruling has been framed for the description of each part.

5. That the impugned Valuation Ruling is unwarranted by facts and law of the case, and non-speaking that how the basis of value determined have been derived amongst the seven different methods of valuation, set out in sub-section (1), (5), (6), (7), (8) and (9) of Section 25 of the Customs Act, 1969.

6. That the impugned valuation ruling has been framed arbitrarily and in absence of proper and sufficient opportunity of rebuttal to the applicant association, hence, derived misconceived values and determination accordingly. The impugned Valuation Ruling is violative of norms of natural justice *audi alteram partem*"

7. That the impugned Valuation Ruling is nothing but arbitrary attempt and deception with the facts and laws of the case, which is in clear disregard to the mandate of section 25, 25-A of the Customs Act, 1969 as well as enunciated principles of law under the mandate of Article 189, 201 and 10-A of the Constitution of Islamic Republic of Pakistan.

8. It is, therefore, humbly requested that kindly pass an order as to rescind the impugned Valuation Ruling and pass the directions to the officer concerned to determine afresh the values of 'Bicycle Parts' after giving due opportunity of being heard and to defend the case to the applicant association above-named.

9. Summary of the case

While re-determining the customs values of Bicycle Parts, all the stakeholders were invited in meeting including the petitioner fixed for 16-06-2016 and 23-06-2016 requesting to submit the following documents :-

- i) Invoices of imports during last three months showing factual value.
- ii) Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- iii) Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- iv) Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

10. The importers during the meeting were of the view that the prices of Bicycle Parts have not been increased in the international market but did not submit import invoices, sales tax invoices, literature, representative samples, evidences in support of their contention. They requested to allow time to furnish evidences and other documents in support of their contention but they abstained from submitting any such documents. Customs values of Bicycle Parts have been determined under Section 25 read with 25-A of the Customs Act, 1969 after evaluating and analyzing all the information.



11. Parawise Comments

Para-(1&2) It is submitted that before the re-determination of Customs values of Bicycle parts, the determined values of Bicycle parts in valuation ruling 690/2014, dated 23-09-2014 were in two categories :-

- i) Bicycle Components & Parts of Metal China > US\$ 1.15/Kg
- ii) Bicycle Components & Parts of Rubber China > US\$ 0.85/Kg

In the existing Valuation ruling the C&F values have been determined according to the parts of Bicycle as under :-

S.No.	Description	Origin	C&F Values (US\$/Kg)
01.	Bicycle Frame	China	1.40
02.	Bicycle Rim	China	1.15
03.	Bicycle Chimta fork for Front Wheel	China	1.10
04.	Bicycle Hub / Axle	China	1.30
05.	Bicycle Back Carrier	China	1.12
06.	Bicycle Side Stand	China	1.10
07.	Bicycle Handle	China	1.10
08.	Bicycle Chain Wheel	China	1.20
09.	Bicycle Freewheel / Garari	China	1.70
10.	Bicycle Spoke + Nipple Chromed	China	1.10
11.	Bicycle Chain	China	1.25
12.	Bicycle Handle Tee	China	1.25
13.	Bicycle Clutch	China	1.40
14.	Bicycle Seat	China	1.25
15.	Bicycle Brake Shoe	China	1.25
16.	Bicycle Brake with Cable Wire	China	1.45
17.	Bicycle Pedal	China	1.15
18.	Bicycle Handle Grip	China	1.10

Analysis between the erstwhile and existing valuation ruling indicates that few of the Bicycle Metal Parts are below, equal with the previous Valuation Ruling and in the rest of the items, the increase of value was recorded 5% to maximum 48% and are according to the values reflected in the trade. Petitioner has not substantiated their claim with supporting documents item wise of Bicycle Parts. Hence, the contention of the petitioner that the determined customs values based on presumption are not justified.

Para(3) It is submitted that as mentioned in Para-(4) of the valuation ruling, the stakeholders informed that there is no change in prices of Bicycle parts but did not submit the import invoices, Literature, sales tax paid invoices, representative samples, evidences and other relevant requisite import documents in support of their contention. Similarly, in the instant petition the claims are based on presumptions without any tangible documents. In terms of Customs Rules, 2001, Para-108, a declaration disclosing full and accurate



details relating to the value of imported goods and any other statement, information or documents as considered necessary by the appropriate officer for determination of the value of the imported goods. Petitioner has not complied with the above provisions and simply made claim on presumptions.

Para(4) Same submissions as above in Para-(3).

Para(5) It is submitted that while determining the customs values of Bicycle Parts of China origin, all the stakeholders including the petitioner were called for meeting on 16-06-2016 and 23-06-2016 for discussion. Petitioners and other stakeholders did not submit relevant import documents at the original stage and simply on presumption claimed the value of Bicycle parts of China origin on decreasing side filed revision petition.

ORDER

12. I have gone through the factual and legal position. The customs values have been determined after following the valuation methods as envisaged under section 25 read with section 25A of the Customs Act, 1969. Petitioner has not submitted any tangible documents to justify their claim as per law. The values have been fixed after thorough market inquiry. Therefore, the consignments are liable to be assessed as per the determined customs values. The petition is dismissed and rejected accordingly.


(Syed Tanvir Ahmad)
Director General

Registered copy to:

M/s Bicycle & Bicycle Spare Parts Importers Association, Lahore.
C/O M/s. Awan Law Associates, Office No.411, 4th Floor,
Commerce Center, Hasrat Mohani Road, Off. I.I. Chundrigar Road, Karachi.

DESPATCHED BY


13-10-2016

Copy to:

1. Member (Customs), FBR, Islamabad.
2. Chief Collectors Customs Appraisalment (South)/Enforcement, Karachi/ (North) Islamabad/ (Central) Lahore.
3. Collector, MCC Appraisalment (East/West)/Port M. Bin Qasim/ Preventive, Karachi.
4. Collector, MCC, Appraisalment/Preventive, Lahore/Quetta/Peshawar/Faisalabad/ Sambrial/Multan/Hyderabad/Islamabad/Gilgit-Baltistan/Gawadar.
5. Director, Customs Valuation, Karachi/Lahore.
6. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi for uploading in One-Customs and WeBOC database.
7. Asstt. Director (Review), Karachi.
8. All Deputy/Assistant Directors (Valuation)
9. Guard File.