



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorates, Appraisalment (East / West) / Port Qasim / Preventive, Karachi / Lahore (Appraisalment / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan/Exports (Karachi/PQ).

Determination of Customs Values of Airconditioners under Section 25-A of the Customs Act, 1969

VALUATION RULING NO. 1053 / 2017

No. Misc/11/2015-VII / 487

Dated: February 23, 2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Air conditioners are determined as follows: -

2. **Background of the valuation issue:** Customs values of Split type Air conditioners were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.840/2016, dated 21-04-2016. Also reference values of Portable Air Conditioners were notified vide VDB letter No. 75 dated 11.11.2016. The Valuation Ruling required revision in line with the prevailing prices in the international market. Therefore, this Directorate General initiated an exercise for determination of customs values of all types of Air conditioners.

3 **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were held on 03.02.2017 and 09-02-2017. Importers had been requested to furnish the following documents before or during the course of meeting:

- A. Invoices of imports during last three months showing factual value.
- B. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- C. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- D. 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.

4. No documents were submitted in this Directorate General on or even before the said scheduled meetings. During the course of the meeting, the stakeholders claimed that the values of split type Air conditioners of China origin have actually reduced in the international market as compared to the values determined in the existing valuation ruling, therefore, the values needed downward revision. They were requested to submit import invoices, sales tax invoices, literature, evidences and other relevant requisite import documents in support of their contentions. They did not provide any document or evidence to substantiate their contentions.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs values of Air conditioners. Transaction value method provided in Section 25 (1) was found inapplicable owing to wide variation in the values being declared to the customs. Identical / similar goods value methods provided in Section 25 (5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied upon due to wide variation in declared values of subject goods. Thereafter, market enquiry as envisaged under section 25(7) of the Customs Act, 1969, was conducted. For the purpose, different markets were surveyed repeatedly. The computed value



method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of export were not available. Online values of subject goods were also obtained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of different types of Air conditioners have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Air Conditioners:** Air Conditioners specified in **Annex-A, B & C** to this Valuation Ruling *shall* be assessed to duty/taxes at the Customs Values mentioned therein.

7. In cases where declared/transaction values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Sub-Section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the element of air freight while assessing the goods.

8. **Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

9. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25-D of the Customs Act, 1969, within 30 days from the date of issue of this ruling, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in this Valuation Ruling for the given description of goods are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in this Valuation Ruling. HS Codes are mentioned for illustrative purposes so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue therein.

11. *This ruling supersedes Valuation Ruling No.840/2016, dated 21-04-2016 and VDB letter No. 75 dated 11.11.2016.*


(Dr. Wasif Ali Memon)
Director

Copy for information to: -

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.



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Annex-A

No. Misc/11/2015-VII

Dated: February 23, 2017

S.No.	Description of goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value US\$/Set	
					Conventional	Inverter
1	2	3	4	5	6	7
1	Wall Mounted 12000BTU	8415.1020	8415.1020.1000	China	190	240
2			8415.1020.1100	Far East	220	275
3			8415.1020.1200	Japan/Europe/ USA	280	350
4			8415.1020.1300	Other Origins	230	290
5	Wall Mounted 18000BTU		8415.1020.1400	China	245	310
6			8415.1020.1500	Far East	285	356
7			8415.1020.1600	Japan/Europe/ USA	340	425
8			8415.1020.1700	Other Origins	295	370
9	Wall Mounted 24000BTU		8415.1020.1800	China	300	375
10			8415.1020.1900	Far East	350	440
11			8415.1020.2000	Japan/Europe/ USA	390	490
12			8415.1020.2100	Other Origins	360	450
13	Floor Standing 24000BTU		8415.1020.2200	China	490	615
14			8415.1020.2300	Far East	560	700
15			8415.1020.2400	Japan/Europe/ USA	640	800
16			8415.1020.2500	Other Origins	570	715
17	Floor Standing 48000BTU		8415.1020.2600	China	640	800
18			8415.1020.2700	Far East	740	925
19			8415.1020.2800	Japan/Europe/ USA	830	1040
20			8415.1020.2900	Other Origins	750	940
21	Floor Standing 60000BTU		8415.1020.3000	China	800	1000
22			8415.1020.3100	Far East	930	1165
23			8415.1020.3200	Japan/Europe/ USA	1045	1310
24			8415.1020.3300	Other Origins	940	1175

Note: Indoor units if imported separately, shall be assessed @US\$ 40% of the value of CBU Air Conditioners and out door units if imported separately, shall be assessed 60% of the value of CBU Air conditioners as notified above in all categories

(Altaf Hussain Mangi)
Valuation Officer

(Ch. Rizwan Bashir Kalair)
Deputy Director



(Dr. Wasif Ali Memon)
Director

(Iqbal Ali)
Principal Appraiser
(Muhammad Iqbal Muneeb)
Additional Director



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Annex-B

No. Misc/11/2015-VII

Dated: February 23, 2017

S.No.	Description of goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value US\$/PC
1	2	3	4	5	9
Window Type Airconditioners					
1	Window type air conditioner 1 ton (9000BTU)	8415.1010	8415.1010.1000	China	125
2			8415.1010.1100	Far East	145
3			8415.1010.1200	Japan/Europe/ USA	175
4			8415.1010.1300	Other Origin	155
5			8415.1010.1400	China	155
6	Window type air conditioner 1 ton (12000BTU)		8415.1010.1500	Far East	178
7			8415.1010.1600	Japan/Europe/ USA	225
8			8415.1010.1700	Other Origin	185
9			8415.1010.1800	China	195
10	Window type air conditioner 2 ton (18000BTU)		8415.1010.1900	Far East	230
11			8415.1010.2000	Japan/Europe/ USA	270
12			8415.1010.2100	Other Origin	235
13	Window type air conditioner 2 ton (24000BTU)		8415.1010.2200	China	240
14			8415.1010.2300	Far East	280
15			8415.1010.2400	Japan/Europe/ USA	310
16			8415.1010.2500	Other Origin	300
Portable Air conditioner					
17	12000BTU	8415.1020	8415.1020.3400	China	170
18			8415.1020.3500	Far East	195
19			8415.1020.3600	Japan/Europe/ USA	225
20			8415.1020.3700	Other Origin	205

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Annex-C

No. Misc/11/2015-VII

Dated: February 23, 2017

S.No.	Description of goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value US\$/KW	
					Conventional	Inverter
1	2	3	4	5	6	7
Tropical Multi System/ Ductless Airconditioners						
1	Outdoor Unit	8415.1030	8415.1030.1000	China	80	100
		8415.1090	8415.1090.1000			
2		8415.1030	8415.1030.1100	Far East	95	120
		8415.1090	8415.1090.1100			
3	8415.1030	8415.1030.1200	Japan/Europe/ USA	110	140	
	8415.1090	8415.1090.1200				
4	8415.1030	8415.1030.1300	Other Origin	100	125	
	8415.1090	8415.1090.1300				
5	Ceiling Cassette/ Ceiling Exposed/ Ceiling Concealed	8415.1030	8415.1030.1400	China	50	65
		8415.1090	8415.1090.1400			
6		8415.1030	8415.1030.1500	Far East	60	75
		8415.1090	8415.1090.1500			
7	8415.1030	8415.1030.1600	Japan/Europe/ USA	70	90	
	8415.1090	8415.1090.1600				
8	8415.1030	8415.1030.1700	Other Origin	65	80	
	8415.1090	8415.1090.1700				
9	Chiller type airconditioners	8415.8200	8415.8200.1000	China	100	125
		8415.8300	8415.8300.1000			
10		8415.8200	8415.8200.1100	Far East	120	150
		8415.8300	8415.8300.1100			
11	8415.8200	8415.8200.1200	Japan/Europe/ USA	135	170	
	8415.8300	8415.8300.1200				
12	8415.8200	8415.8200.1300	Other Origin	125	160	
	8415.8300	8415.8300.1300				
13	Fan Coil Units	8415.8200	8415.8200.1400	China	30	40
		8415.8300	8415.8300.1400			
14		8415.8200	8415.8200.1500	Far East	42	55
		8415.8300	8415.8300.1500			
15	8415.8200	8415.8200.1600	Japan/Europe/ USA	48	62	
	8415.8300	8415.8300.1600				
16	8415.8200	8415.8200.1700	Other Origin	44	57	
	8415.8300	8415.8300.1700				

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