



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

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

(VALUATION RULING NO. 1119/2017)

No.Misc/22/2013-VIIIA

915

Dated 31-03-2017

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

2. **Background of the valuation issue:** The Customs values of Aluminum Radiators were determined vide Valuation Ruling No.612/2013, dated 22-11-2013. Thus, with a view to reflect the current prices prevailing in the international market, an exercise to determine the customs values of the subject goods afresh was taken up.

3. **Stakeholders' participation in determination of Customs values:** Meeting was held on 21-03-2017 and 29-03-2017, with importers and local manufacturers of Aluminium Radiators. The importers were requested to submit the following documents so that correct customs values could be determined: -

- 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.

4. The representative of local manufacturers M/s Kor Tech Auto Industries (Pvt) Ltd. and Thal Engineering were of the view that aluminum radiators are being assessed at low value as the raw material and manufacturing cost has increased. However, the importers contended the manufacturers point of view and submitted that radiators prices may be rationalized according to market prices No any of the importers submitted import invoices, sales tax invoices, literature, representative samples, working proposal in support of their contention and other relevant requisite import documents.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue



at hand. Transaction value method provided in Section 25 (1) of the Act *ibid* was found inapplicable because the required information under the law was not available. Identical and Similar goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969, were examined for applicability to the re-valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of the subject goods. Thereafter, market enquiries as envisaged under Section 25(7) of the Customs Act, 1969, were conducted. The prices of subject goods varied depending on model and type of vehicle Input and feedback by the importers and manufacturers in the meetings was also considered. Online prices were also obtained. Value method as provided in Section 25(8) could not be applied for valuation of the aforementioned goods as the cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25(8) of the Customs Act, 1969, in the country of exportation could not be ascertained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the customs values of Aluminum Radiators were determined under Sub-Section (9) of Section 25 of the Customs Act, 1969.

6. **Customs values for Aluminum Radiators:** Aluminum Radiators *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values :-

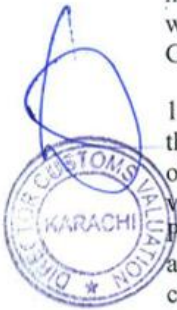
S.No.	Description of Goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	Aluminum Radiators	8708.9110 8708.9190	8708.9110.1000 8708.9190.1000	China	4.90

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 differential between air freight and sea freight while applying the Customs values determined in this Ruling.

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 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 the 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 Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. 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 of Valuation Ruling No.612 / 2013, dated 22-11-2013.*

(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.
8. Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No.612/2013, dated 22-11-2013 from the system on the date of issue of this ruling.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisalment, 1st Floor, Custom House, Karachi.
21. Guard File.