



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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

**Determination of Customs Values of Gasoline Water Pump Under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. 1150/2017)

No. Misc/46/2017-VII

Dated: May 4, 2017

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

2. **Background of the valuation issue:** This Directorate General notified VDB values of Gasoline Water Pump (Low end brands) vide VDB letter No. 139 dated 30-12-2016. Meanwhile, this Directorate General also initiated an exercise for determination of customs values Gasoline Water Pump (Low end brands) under Section 25A.

3 **Stakeholders' participation in determination of Customs values:** Meeting with stakeholders was held on 01-03-2017. Importers had been requested to furnish the following documents before or during the course of meeting:

- Invoices of imports during last three months showing factual value.
- Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- 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 before the said scheduled meeting. However, the Lahore Chamber of Commerce & Industry, Lahore submitted a written request that the customs value of said product shall not be fixed higher than US\$ 2/Kg. The chamber objected that values notified vide VDB letter No 139 was far higher and owing to higher valuation there was danger of shifting legal import to the smuggling channel. The importers, who attended meeting, were again asked to submit documentary evidence in support of their contention, directly or through chamber of commerce if they liked. They were also told that the gasoline water pumps were being imported/traded vis-à-vis their capacity in HP, so the values will be determined accordingly. At this their major objection was that at higher capacities especially after 6HP the price does not increase in geometric progression. It was agreed that the same factor shall be looked into while determining customs values. They were again asked to submit documents to prove their point of view. Despite a considerable lapse of time, the importers have not submitted the requisite documents except some import invoices/ and copies of GDs. Resultantly numerous market surveys were conducted for determination of the customs values.

**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 Gasoline Water Pump (Low end brands). 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 Gasoline Water Pump (Low end brands) have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Gasoline Water Pump:** Gasoline Water Pump, *hereinafter* specified, *shall* be assessed to duty/taxes at the following Customs Values: -

S. No.	Description	PCT	Proposed PCT for WeBOC	Origin	Customs value US\$
1	2	4	5	6	7
1	Gasoline Water Pump (Low End Brands)	8413.7090	8413.7090.1000	China	45
2			8413.7090.1200	Taiwan/ Thailand/ Korea	52
3			8413.7090.1300	Other Origins	68
4	Gasoline Water Pump (Low End Brands)	8413.7090	8413.7090.1400	China	48
5			8413.7090.1500	Taiwan/ Thailand/ Korea/ UAE	55
6			8413.7090.1600	Other Origins	72
7	Gasoline Water Pump (Low End Brands)	8413.7090	8413.7090.1700	China	56
8			8413.7090.1800	Taiwan/ Thailand/ Korea/ UAE	65
9			8413.7090.1900	Other Origins	84

The above values do not include Water Pumps of international brands like Honda, Yamaha, Mitsubishi etc or Water Pumps wherein engines of international brands have been used. The Collectorates may like to finalize assessments in such cases under Section 25 of the Customs Act 1969, and in case any clearance Collectorate needs help in this regard it may refer the case after assessing provisionally under Section 81 of the Customs Act for suitable advice.

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, 7<sup>th</sup> 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.

(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), 1<sup>st</sup> 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 WeBOC database system and deleting VDB No 140 dated 30-12-2016.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & Peshawar.
16. Law Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi / MCC, Appraisalment (East/West), Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading at the FBR website
22. Guard File.