



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

RULING U/S 25A NO. 345

No./Misc/25/2008-VIIA

Dated 23-06-2011

Note

- (i) The customs value determined under this Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.
- (ii) Revision petition / Review application against this valuation ruling may be filed before the Director-General of Valuation under Section 25D of the Customs Act, 1969, within thirty (30) days from the date of issuance of this ruling.

The Collectors of Customs, Model Customs Collectorates (Appraisement / PACCS/ Port Muhammad Bin Qasim / Preventive), Karachi / Lahore/ Sambrial (Sialkot)/Faisalabad/ Multan/ Islamabad/ Hyderabad/Quetta/ Peshawar.

Subject: DETERMINATION OF CUSTOMS VALUE OF TRACTOR PARTS AND COMPONENTS, UNDER SECTION 25A OF THE CUSTOMS ACT, 1969



On receipt of several references regarding under-invoicing in the import of non-genuine Tractor parts, an exercise was undertaken to determine the values under Section 25A of the Customs Act, 1969. Meetings were held on 08-03-2011 & 06-05-2011 with all stakeholders including representatives of Federation of Pakistan Chambers of Commerce and Industry (FPCC&I), Pakistan Automobiles Spare Parts Importers and Dealers Association (PASPIDA), other commercial importers and local manufacturers, for value determination of Tractor parts. Joint market inquiry was scheduled on 09-05-2011, but no one appeared for inquiry. The importers requested for determining realistic values which may discourage smuggling and under invoicing in the import of Tractor parts. They further contended that the import of genuine Tractor parts is decreasing day by day owing to unrealistic assessment by various field Collectorates on the basis of agreed valuation criterion between the importers and the Collectorates. They proposed that the values of Tractor parts may be determined keeping in view the import value of Tractors in CBU condition.

2. The contention of importers and trade organizations was examined in the light of physical import data of Tractor parts of Chinese, Turkey, Brazil and other origins, under Section 25 (5) & (6) of the Customs Act, 1969, and observed that it could not be relied

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upon due to various distortions in the declared unit of measurement (UOM). Hence, the weight of each parts of Tractor was taken as benchmark for determination of value in Kilogram (KG), as UOM in the Pakistan Customs Tariff is in KG. This mechanism was also adopted during market survey i.e. values were obtained in pieces and converted into KG to arrive at fair value.

3. Moreover, by following the valuation methods in sequence, it was felt that deductive value method under sub-section (7) of Section 25 of the Customs Act, 1969, could not be relied upon as the goods available in the market reflected the under invoiced values at import stage. Computed value method, as envisaged under sub-section (8) of Section 25 of the Act, also could not be applied, as the cost of raw materials and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25 (8) of the Act, in the country of export, could not be ascertained.

4. Accordingly, the following Customs values of Tractor parts /components of China, Turkey, Brazil and other origins have been determined under fall back method as envisaged under Section 25 (9) of the Customs Act, 1969:-

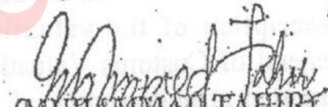
S. No.	Description of Goods	H. S. Code	Customs Value (C&F), US\$ / Kg China Origin	Customs Value (C&F), US\$ / Kg Turkey & Brazil Origins	Customs Value (C&F), US\$ / Kg Other origins
(1)	(2)	(3)	(4)	(5)	(6)
1	Piston Set	8409.9910	\$ 2.50/Kg	\$ 2.75/Kg	\$ 2.75/Kg
2	Ring Set	8409.9910	\$ 3.00/Kg	\$ 3.30/Kg	\$ 3.30/Kg
3	Cylinders	8409.9910	\$ 1.60/Kg	\$ 1.76/Kg	\$ 1.76/Kg
4	Cylinder Blocks	8409.9910	\$ 1.60/Kg	\$ 1.76/Kg	\$ 1.76/Kg
5	Cylinder Heads	8409.9910	\$ 1.60/Kg	\$ 1.76/Kg	\$ 1.76/Kg
6	Cylinder Liners	8409.9910	\$ 1.60/Kg	\$ 1.76/Kg	\$ 1.76/Kg
7	Inlet & Exhaust Valves	8409.9920	\$ 1.65/Kg	\$ 1.82/Kg	\$ 1.82/Kg
8	Connecting Rods & Caps	8409.9920	\$ 1.70/Kg	\$ 1.87/Kg	\$ 1.87/Kg
9	Tappets, Push Rods & Rocker Arm	8409.9920	\$ 1.70/Kg	\$ 1.87/Kg	\$ 1.87/Kg
10	Rear End Housing	8409.9920	\$ 1.65/Kg	\$ 1.82/Kg	\$ 1.82/Kg
11	Fuel & Oil Pumps	8413.3020	\$ 1.65/Kg	\$ 1.82/Kg	\$ 1.82/Kg



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12	Water Pumps & nozzles	8413.3020	\$ 1.65/Kg	\$ 1.82/Kg	\$ 1.82/Kg
13	Main Shafts, Counter Shafts & Cam Shafts	8483.1011	\$ 1.70/Kg	\$ 1.87/Kg	\$ 1.87/Kg
14	Crown Wheel Pinion & Parts thereof	8483.1011	\$ 1.50/Kg	\$ 1.65/Kg	\$ 1.65/kg
15	Crank Shaft Assembly	8483.1019	\$ 1.50/Kg	\$ 1.65/Kg	\$ 1.65/kg
16	Gaskets & Joints	8484.1021	\$ 1.60/Kg	\$ 1.65/Kg	\$ 1.65/kg
17	Gear Sets	8484.1029	\$ 1.50/Kg	\$ 1.65/Kg	\$ 1.65/kg

5. The aforesaid values are accordingly determined in terms of section 25A of the Custom Act, 1969. The Collectorates are advised to ensure assessment on aforesaid values. However, if the declared /invoice value is higher, then the same shall be adopted for customs purpose in terms of section 25 of the Custom Act, 1969.


(MUHAMMAD TAHIRY)
DIRECTOR

Distribution

1. S.A. to Chairman, Federal Board of Revenue, Islamabad.
2. Member (Customs), Federal Board of Revenue, Islamabad.
3. Chief Collectors of Customs (North/South), Lahore/Karachi.
4. The Director General of Intelligence Investigation-FBR, Islamabad.
5. The Director General of Customs Valuation, Karachi.
6. The Director General of Post Clearance Audit, Karachi.
7. The Directors of Intelligence Investigation-FBR, Karachi/ Lahore/ Islamabad.
8. The Deputy Director (Hqrs.), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & PaCCS database on the date of issue of this ruling.
9. Chairman (Valuation Committee), FPCC&I, Federation House, Karachi.
10. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
11. Karachi Customs Agents Group (KCAG), Bohri Road, Karachi.
12. Guard File.