



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

\*\*\*\*\*

VALUATION RULING U/S 25A NO. 401 /2011

No. MISC/10 /2009-V

Dated: 25-11-2011

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Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.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) Review application/Revision petition 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 determination of customs value under this ruling.

The Collectors of Customs, MCC (Appraisement/ PaCCS /Port Muhammad Bin Qasim Preventive), Karachi/Lahore/Multan/Sambrial/Faisalabad/Hyderabad/Quetta/Peshawar/Islamabad



Subject: DETERMINATION OF CUSTOMS VALUE OF ABRASIVE PRODUCTS GRINDING/CUTTING DISC/WHEEL UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

Earlier Ruling on the subject goods was issued on 23-06-2011. Meanwhile representations were received from M/s Pakistan Hardware Merchant Association dated 15-09-2011 & 24-09-2011 regarding downward revision of existing valuation ruling. In order to ascertain the veracity of these representations, an exercise for determination of value of the subject goods was initiated under section 25A of the Customs Act, 1969. Meetings with all stakeholders were held on 17-10-2011, 03-11-2011 and 22-11-2011. The representatives of Importers Association and Manufacturers of Grinding wheel attended the meeting. The importers contended that current values are on higher side. However during the meetings the representatives of the importers were also asked to submit copies of relevant correspondence with exporters, proforma & commercial invoice, sale contract with supplier, copies of GD's, list of local buyers, price list and sales tax paid invoices so as to verify truth and accuracy of their transaction value under section 25(1) of Customs Act, 1969. The abnormal description and fluctuated import data was discussed and both sides were also showed some import data which was not reliable for determination of valuation ruling under section 25(1), 25(5) & (6) of the Customs, Act, 1969.

2. During meeting, it was pleaded further by the stakeholders that ever since the issuance of the earlier valuation ruling most of the them were unable to import goods as the determined values are not only detrimental to their business but are depriving the government of its revenue also, goods being routed to illegal channel. The earlier determined values, therefore, were in need

254

of revision. After detailed discussion on the issue it was mutually agreed that a market inquiry be carried out as per Deductive Valuation method provided under section 25(7) of the Act and fresh values be determined based on the results of the same. Accordingly, market survey was carried out and values for various type and origins of subject goods were worked out.

3. In the light of above exercise Import data of the relevant period for the subject goods was scrutinized in terms of Section 25(1), 25(5) and 25(6) of the Customs Act, 1969, however, declared values were found to be quite variable and on lower side as compared to the prices obtained from local market survey, whereas assessed values, on clearance stage, were based on the value determined vide earlier Valuation Ruling. These infirmities rendered the import data unacceptable as a reliable benchmark for fair value determination of instant goods. Hence, next valuation method, i.e. deductive method under Section 25(7) of the Customs Act, 1969, was resorted to and market enquiry was conducted, as mentioned above, for frequently imported, Abrasive Grinding/Cutting Disc/Wheel based on the same customs values detailed in the table below have been arrived at and determined under Section 25(7) of the Customs Act, 1969:

S #.	Description of Goods	H.S. Codes	Origin	Customs Values
(1)	(2)	(3)	(4)	(5)
1.	Abrasive Grinding Wheel.	6804.1000	China	US\$ 1.50/Kg
		6804.2200	Other	US\$ 1.80/Kg
2.	Abrasive Grinding/Cutting Disc	6804.1000	China	US\$ 1.27/Kg
		6804.2200	Other	US\$ 1.53/Kg

4. The aforesaid values are determined under Section 25A of the Customs Act, 1969, for implementation. The Collectorates are advised to ensure assessment on the aforesaid values. However, if the declared / invoice value is higher, then the same shall be applied under Section 25 of the Customs Act, 1969.

*Muhammad Tahir*  
(MUHAMMAD TAHIR)  
DIRECTOR

Copy to:

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. Syed Tanveer Ahmad, Coordinator, WeBOC RMS Development Team, Income Tax Building, Karachi
9. 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.
10. Chairman (Valuation Committee), FPCC&I, Federation House, Karachi.
11. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
12. Karachi Customs Agents Group (KCAG), Bohri Road, Karachi
13. Guard File.