



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

No. Misc/22/2009-VIHA

RULING U/S 25A No. 426

Dated 8 -02-2012

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Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.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 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, Model Customs Collectorate (Appraisalment/PaCCS, Port Qasim/ Preventive), Karachi/ Lahore/ Sambrial/ Faisalabad/ Multan/ Islamabad/ Hyderabad/ Quetta/ Peshawar.



Subject: DETERMINATION OF CUSTOMS VALUE OF BRAKE LINING AND FRICTION MATERIAL (CLUTCH FACING) IMPORTED FROM DIFFERENT ORIGINS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

Consequence upon request of Model Customs Collectorate of PaCCS, communicated vide letter No. MCC/PaCCS/ Gr-III/Assessment/1336/2011, dated 22-08-2011, regarding determination of value of brake lining and clutch facing with HS Codes 6813.2020 and 6813.8120, covering un-mounted brake lining, separately from the value of brake shoes, determined vide Valuation Ruling No. 329, dated 30-05-2011, an exercise was initiated under Section 25A of the Customs Act, 1969.

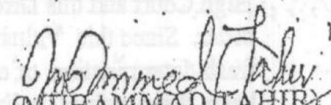
2. Accordingly, meeting with all the stakeholders was held on 22-11-2011, which was extended for 19-12-2011, 04-01-2012 and 31-01-2012, as per request of importers' association namely M/s. Pakistan Auto Spare Parts Importers & Dealers Association (PASPIDA). But none of the stakeholders attended the meetings. The Lahore Chamber of Commerce & Industry had also informed vide their dated 26-11-2011, that brake lining in rolls is purely made of woven asbestos material which is easily available @ US\$ 0.30/Kg all around China. Even friction material (clutch facing) is based on asbestos material. Both brake lining and clutch facing imported from China are not in ready to use form. As a result the lining is subjected to cutting, hole making through drilling and finally riveting and punching. The importers' association PASPIDA, vide letter dated 28-01-2012, suggested values both for brake lining and friction material (clutch facing) @ US\$ 0.75/Kg, 0.95/Kg and US\$ 0.82/Kg, for China, Japan and other origins respectively.

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3. The above mentioned contentions of the importers' association have been examined in the light of data available and local market survey under Section 25 (7) of the Customs Act, 1969. Since the clearances were being made on values determined under valuation advice issued on 16-03-2009, the transaction value data could not be accepted as true customs value as envisaged under Section 25(1), 25(5) and 25(6) of the Customs Act, 1969. Next valuation method i.e. deductive value method as envisaged under Section 25 (7) of the Act, was relied upon. As a result, following values were arrived at on the basis of market enquiry/ deductive value method which indicates higher prices tendency in the local market as compared to the declared values and accordingly the same are determined under Section 25 (7) of the Customs Act, 1969:-

S. No.	Description of goods	H. S. Code	Origin	Customs values (C&F)
(1)	(2)	(3)	(4)	(5)
1.	Friction material (brake lining/Clutch facing)	6813.2020	China	US\$ 0.88/Kg.
			Japan	US\$ 1.12/Kg.
			Other origins	US\$ 0.96/Kg.

4. The above values are hereby determined under section 25A of the Customs Act, 1969. All the Customs Collectorate are advised to finalize the assessment on the value mentioned above. However, if the invoice value is higher than the value in this ruling, then such higher value shall be applied for assessment purpose in terms of Section 25 of the Customs Act, 1969.


(MURHAMMAD TAHIR)
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 Director (Development), WeBOC Project, 11th Floor, Custom House, 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, Aikwan-e-Tijarat Road, Karachi.
12. Karachi Customs Agents Group (KCAAG), Bohri Road, Karachi.
13. Guard File