

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

To,

The Collectors of Customs, Model Customs Collectorate (Appraisal / PaCCS/Port Qasim / Preventive),
Karachi / Lahore / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Peshawar.

DETERMINATION OF CUSTOMS VALUE OF RECHARGEABLE FANS
UNDER SECTION 25-A OF CUSTOMS ACT, 1969.

(VALUATION RULING NO. 457/2012.)

No. Misc/01/2012-VII

Dated: 22nd May 2012.

In exercise of the powers conferred on him under section 25-A of the Customs Act, 1969, the Director, Directorate General of Customs Valuation, Karachi has determined the customs values of rechargeable fans hereinafter following for assessment of duty / taxes on the import of relevant goods:

1. Description of the valuation issue. A complainant brought to the notice of valuation authorities the fact that imported rechargeable fans of different sizes were being assessed to duty / taxes at lower than actual transactional values causing revenue losses. This prompted an exercise to determine the fair customs values for imported rechargeable fans.
2. Methodology adopted to determine customs values. Valuation methods given in section 25 of the Customs Act, 1969 were examined to ascertain which methods were applicable to the valuation issue in hand in terms of section 25-A (1) of the Act. Transactional value method provided in section 25 (1) was found inapplicable because sufficient information with respect to adjustments to be made to the transactional value in terms of section 25 (2) was not available. The record of customs values of identical and similar goods was examined to gain an insight into the levels of current value declarations. These customs values ranged from US\$ 1.50 to US\$ 6 per piece. Compared with prevailing local market prices, these customs values lent credence to the allegations of under valuation and were, as such, not applicable to the valuation issue in hand. The next method i.e. the deductive valuation method provided in section 25 (7) of the Act was found applicable to the valuation issue in hand.
3. Evidence used to determine customs values. A meeting was held on 11-05-2012 and 19-05-2012 with the members of Pakistan Electronic Merchants Association to ascertain any evidence these stakeholders held to rebut the allegations of undervaluation of rechargeable fans. However, these allegations went uncontroverted and members of PEEMA gave a semblance of its admission. They did not object to raising the declared values by reasonable margin supported by evidence. Accordingly, a market survey for the prices of fans of different sizes was conducted on 19-05-2012, the prevailing prices were ascertained and the deductions provided for in clause (a) of section 25 (7) were made to arrive at the following customs values for rechargeable fans.



4. Customs values for rechargeable fans. The rechargeable fans of all origins and of different sizes hereinafter specified shall be assessed to duty / taxes at the following customs values.

S.No.	Description of goods	PCT Heading	Customs Value
1	Rechargeable Fan 8"	8414.5130	US\$ 5.83/piece
2	Rechargeable Fan 10"	8414.5130	US\$ 8/piece
3	Rechargeable Fan 12"	8414.5130	US\$ 10/piece
4	Rechargeable Fan 14"	8414.5130	US\$ 11.86/piece
5	Rechargeable Fan 16"	8414.5130	US\$ 14.14/piece
6	Rechargeable Fan 18"	8414.5130	US\$ 19.16/piece
7	Rechargeable Fan 20"	8414.5130	US\$ 23.18/piece

5. Validity of this Valuation Ruling. If the price trend of rechargeable fans changes direction after 90 days from the date of this Ruling, the concerned stakeholders can furnish to the valuation authority sufficient documentary evidence to seek revision of the customs values determined in this Ruling. However, the values determined in this Ruling shall continue to be the applicable customs values for relevant goods till the time this Valuation Ruling is rescinded or revised by the competent authority in terms of section 25A of the Customs Act, 1969. Moreover, this Valuation Ruling applies to cases where declared values are less than the customs values determined in the ruling. In cases where declared values are more than the customs value determined in the ruling, the concerned assessing officers shall accept the declared values in terms of section 25(1) of the Customs Act, 1969.
6. Remedies against this Valuation Ruling. The Customs Act, 1969 provides efficacious alternate remedies against this Ruling. Section 25-D provides that any person aggrieved of the Ruling may file a revision petition within 30 days from the date of this Ruling before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi. An appeal against the decision in revision of the Director General can be filed within 60 days of the decision before the Customs Appellant Tribunal under section 194-A (1) (e) of the Customs Act, 1969.

(Muhammad Javed Ghani)
Director

Copy for information to :

- (1) S.A TO Chairman, F.B.R., Islamabad.
- (2) Member (Customs), F.B.R., Islamabad.
- (3) Chief Collectors of Customs (South), Custom House, Karachi.
- (4) Chief Collectors of Customs (North), Custom House, Islamabad.
- (5) Director General, Intelligence and Investigation, Islamabad.
- (6) Director General, Post Clearance Audit, Islamabad.
- (7) Director General Internal Audit, (Customs), Islamabad.
- (8) Director General, Customs Valuation, Custom House, Karachi.
- (9) Directors, Intelligence & Investigation, Karachi // Lahore / Islamabad.
- (10) The Project Director Weboc, 11th Floor, Custom House, Karachi.
- (11) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi for uploading in One Customs & Weboc database on the date of issue of this ruling.
- (12) Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- (13) Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
- (14) Karachi Customs Agents Group, Bohri Road, Karachi.
- (15) Guard File.