



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

To

The Collectors of Customs, Model Customs Collectorates (Appraisalment / PaCCS/Port Qasim /Preventive), Karachi / Lahore (Appraisalment / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

DETERMINATION OF CUSTOMS VALUES OF EXERCISE MACHINE
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO.563 / 2013)

No.Misc/13/2009-VIIB

Dated: 2nd July, 2013

In exercise of the powers conferred under section 25A of the Customs Act, 1969, customs values of Exercise Machines are determined as follows: -

1. **Background** - The customs values of various types of exercise machines (PCT Code: 9506.9100) were determined vide Valuation Ruling No.530, dated 01-01-2013. A major importer of the said goods filed a representation for the revision of customs values on the ground that the values fixed were not reflective of actual market values in terms of section 25(7) of the Customs Act, 1969. Taking into consideration the representation filed and also that about six months had passed since the determination of previous values, an exercise to determine the customs values for the subject goods was initiated in terms of section 25A of the Customs Act, 1969.
2. **Methodology adopted to determine customs values** - Valuation methods given in section 25 of the Customs Act, 1969 were applied to address the valuation issue in hand in terms of section 25A(1) of the Act. Transactional value method provided in section 25 (1) was found inapplicable because of huge variation in declared values and non availability of sufficient information with respect to adjustments to be made to the transactional value in terms of section 25 (2). Identical / similar goods value methods provided in section 25(5) & (6) were examined for applicability to the valuation issue in the instant case. These methods furnished some reliable values. Since the manufacturers' cost of producing the goods in question in the country of exportation were not available, computed value method as provided in section 25(8) could not be applied for valuation of the aforesaid goods. Deductive Value Method under section 25(7) of the Customs Act, 1969, was thus applied to arrive at customs values.
3. **Stakeholders Participation** - Meeting was called of stakeholders to discuss the current international values of Exercise Machines but only one importer appeared in the meeting and no reply was received. The Deductive Value Method was applied and market enquiry conducted. The values of Exercise Machines determined on the basis of deductive value method were also substantiated.



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4. Customs values for Exercise Machines *hereinafter specified* shall be assessed to duty/ taxes at the following customs values :-

S.No.	Description of Goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values
(1)	(2)	(3)	(4)	(5)	(6)
1.	Motorized Treadmills Upto 1HP	9506.9100	9506.9100.1010	China	US\$ 4.35/Kg
2.	Motorized Treadmills 1 to 2HP	9506.9100	9506.9100.1020	China	US\$ 4.5/Kg
3.	Motorized Treadmills 2.1 to 3 HP	9506.9100	9506.9100.1030	China	US\$ 6.05/Kg
4.	Exercise Bike	9506.9100	9506.9100.1040	China	US\$ 4.05/Kg
5.	Elliptical Trainer	9505.9100	9506.9100.1050	China	US\$ 5.00/Kg
6.	Gymnasiums	9505.9100	9506.9100.1060	China	US\$ 1.50/Kg
7.	Multi station Gymnasiums	9505.9100	9506.9100.1070	China	US\$ 2.5/Kg



5. Validity of this Valuation Ruling - The customs values determined in this Ruling shall continue to be the applicable customs values for the aforementioned 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 values determined in the ruling, the concerned assessing officers shall apply such higher values in terms of section 25(1) of the Customs Act, 1969. Moreover, in case of consignments imported by air, if the differential between air freight and sea freight, when taken into account, raises the customs values above those determined in this ruling, the concerned assessing officers shall apply such higher 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



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No.Misc/13/2009-VIIIIB

Dated 03-07-2013

To

The Collectors of Customs, Model Customs Collectorates (Appraisement / PaCCS/Port Qasim /Preventive), Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

CORRIGENDUM TO VALUATION RULING NO.563 / 2013

In exercise of the powers conferred under section 25A of the Customs Act, 1969, the Director of Customs Valuation, Karachi, is pleased to make the following correction in Valuation Ruling No.563/2013, dated 02-07-2013, in Column No.5 of the table, by adding the following origins in addition to the existing, namely :

“ Taiwan / Middle East & Far East ”

(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) Director General, Customs Valuation, Custom House, Karachi.
- (4) Chief Collector of Customs, South (Appraisement), Custom House, Karachi.
- (5) Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
- (6) Chief Collector of Customs (Central), Lahore.
- (7) Chief Collector of Customs (North), Islamabad.
- (8) Director General, Intelligence and Investigation, Islamabad.
- (9) Director General, Post Clearance Audit, Islamabad.
- (10) Director General Internal Audit, (Customs), Islamabad.
- (11) Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- (12) The Project Director WeBOC, 11th Floor, Custom House, Karachi.
- (13) 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.
- (14) Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- (15) Chairman (Valuation Committee), KCC&I, Aikwan-e-Tijarat Road, Karachi.
- (16) Customs Revenue Audit, 8th Floor, Custom House, Karachi.
- (17) Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
- (18) Review Section, Customs Valuation, 7th floor, Custom House, Karachi.
- (19) Karachi Customs Agents Group, Bohri Road, Karachi.
- (20) Guard File.