



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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To,

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

DETERMINATION OF CUSTOMS VALUES OF  
OLD AND USED SECOND HAND MACHINERY  
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO. 571 / 2013)

No. Misc/09/2009-VII

Dated: 24<sup>th</sup> July, 2013

In exercise of the powers conferred under section 25-A of the Customs Act, 1969, the customs values of Old and Used Second Hand Machinery are determined as follows:-

1. **Description of the valuation issue** - A representation was made by All Pakistan Power Looms Association before the Honorable Tax Ombudsman for determination of customs values of Old and Used Second Hand Machinery under section 25A of the Customs Act, 1969. Subsequently, findings/recommendations were given by FTO vide Order in Complaint No.227K-2009 dated 18.07.2009. This Directorate General filed a representation against Honorable FTO's findings before the Honorable President of Pakistan. However, the findings/recommendations of the Honorable FTO were upheld by the President of Pakistan as intimated vide Law Division M.No.61/2009-Law(FTO) dated 12.04.2013. Therefore, an exercise to determine the customs values of Old and Used Second Hand Machinery was carried out in compliance of the recommendation/findings contained in Honorable FTO's orders.



2. **Methodology adopted to determine customs values** - Historically old and used machinery is assessed by the Clearance Collectorates on the basis of physical condition of the machinery and criteria values for the purpose of this valuation exercise, valuation methods given in section 25 of the Customs Act, 1969 were examined to ascertain which methods were applicable in terms of section 25A 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. As the functions and specifications of imported old and used machinery differ from each other, comparison of value in terms of section 25(5) was not found admissible. Similar goods value methods provided in section 25(6) of the Customs Act, 1969 was however, found supportive and relevant for determination of customs values of Old and Used Second

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Hand Machinery in this case. The provisions of section 25(7) were examined for determination of customs value in this case but due to variation and scant availability of goods in the market, this valuation method could not be applied. Therefore, taking into account the historical data of similar goods as reflected under section 25(6) of the Customs Act, 1969, the valuation method as envisaged in terms of section 25(9) of the Customs Act, 1969 was considered for the determination of customs value of Old and Used Second Hand Machinery.

3. Evidence used to determine custom values - Meeting was held with the stakeholders on 04.06.2013 to ascertain any evidence to determine prevailing prices of Old and Used Second Hand Machinery in the international markets. Input/feedback was also obtained from technical appraising officers dealing with the assessment of old and used machine in the Custom House, Karachi. Identical/Similar Value method as envisaged under section 25(9) read with 25(6) was used to determine the following customs values for Old and Used Second Hand Machinery.

4. Customs values for OLD AND USED SECOND HAND MACHINERY hereinafter specified - shall be assessed to duty / taxes on the customs values mentioned against them in the table below:

S.No	Description of goods	PCT Heading	Proposed PCT for WeBoc	Origin	Customs value
	1	2	3	4	5
1	Old and Used Second Hand Textile Machinery made of stainless steel (Computerized)	Respective headings	Respective headings	Japan, Europe, USA	US\$5/kg
				All origins Excluding Japan, Europe, USA	US\$4/kg
	Old and Used Second Hand Textile Machinery made of stainless steel (Non Computerized)	Respective headings	Respective headings	Japan, Europe, USA	US\$4.00/kg
				All origins Excluding Japan, Europe, USA	US\$3.00/kg
3	Old and Used Second Hand Textile Machinery (non stainless steel and computerized)	Respective headings	Respective headings	Japan, Europe, USA	US\$2.5/kg



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				All origins excluding Japan, USA, Europe	US\$2.50/kg
4.	Old and Used Second Hand Textile Machinery (non stainless steel and non computerized)	Respective headings	Respective headings	All origins Excluding Japan, USA, Europe	US\$1.40/kg
				Japan, USA, Europe	US\$1.65/kg
5.	Old and Used Looms (non stainless steel and non computerized)	8446.3000	8446.3000.1000	All origins Excluding Japan, USA, Europe	US\$1.40/kg
			8446.3000.1100	Japan, USA, Europe	US\$1.65/kg
6.	Old and Used Circular Knitting Machine (non stainless steel and non computerized)	8447.0000	8447.0000.1000	All origins Excluding Japan, USA, Europe	US\$1.40/kg
			8447.0000.1100	Japan, USA, Europe	US\$1.65/kg
7.	Old and Used Two for one twister/Twisting Machine(non stainless steel and non computerized)	8445.3000	8445.3000.1000	All origins Excluding Japan, USA, Europe	US\$1.40/kg
			8445.3000.1100	Japan, USA, Europe	US\$1.65/kg
8.	Old and Used Winding Machine/Winder(non stainless steel and non computerized)	8445.4000	8445.4000.1000	All origins Excluding Japan, USA, Europe	US\$1.40/kg



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			8445.4000.1100	Japan, USA, Europe	US\$1.65/
9.	Old and Used Dobbies/Jacquard(non stainless steel and non computerized)	8448.1100	8448.1100.1000	All origins Excluding Japan, USA, Europe	US\$1.40/kg
			8448.1100.1100	Japan, USA, Europe	US\$1.65/kg
10.	Old and Used Boilers (non stainless steel and non computerized)	8402.0000	8402.0000.1000	All origins Excluding Japan, USA, Europe	US\$1.40/kg
			8402.0000.1100	Japan, USA, Europe	US\$1.65/kg
11.	Old and Used printing Machine with standard accessories	8443.5900	8443.5900.1000	All origins	US\$1.65/kg
	Old and Used Industrial Sewing Machine Juki MB & DL series	8452.2100	8452.2100.1000	Japan	US\$300/unit
13.	Old and Used Electric Motors	8501.0000	8501.0000.1000	All origins Excluding Japan, USA, Europe	US\$4/per HP or US\$1.40/kg whichever is higher
			8501.0000.1100	Japan, USA, Europe	US\$5/per HP or US\$1.65/kg whichever is higher

*This valuation Ruling is issued without prejudice to S.No 41 of Customs General Order 12/2002 dated 15.06.2002 therefore, if the value so determined under S.No 41 of Customs General Order 12/2002 dated 15.06.2002 is higher than the customs values determined in the*

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*Ruling, the concerned assessing officers shall apply such higher values in terms of aforesaid provision of the CGO 12/2002.*

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(I) 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(I) 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, 7<sup>th</sup> 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 (k) (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) Director General, Customs Valuation, Custom House, Karachi.
- 4) Chief Collector of Customs (Appraisement), South, Custom House, Karachi.
- 5) Chief Collector of Customs (Enforcement), South, Custom House, Karachi.
- 6) Chief Collector of Customs (Central), Custom House, Lahore.
- 7) Chief Collector of Customs (North), Custom House, 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/Peshawar/Gawadar/Faisalabad.
- 12) The Project Director Weboc, 11<sup>th</sup> 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, Aiwan-e-Tijarat Road, Karachi/LCC&I, Lahore.
- 16) Customs Revenue Audit, 8<sup>th</sup> floor, Custom House, Karachi.
- 17) Karachi Customs Agents Group, Bohri Road, Karachi.
- 18) Law Section, Customs Valuation, Custom House, Karachi.
- 19) Review Section, Custom Valuation, Karachi.
- 20) Guard File.