



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

Determination of Customs Values of Frequency Inverters (H.S.Code. 8504.4090)
under Section 25-A of the Customs Act, 1969.

(VALUATION RULING NO. 751 / 2015)

No. Misc/09/2015-VII 9082

Dated: June 22, 2015

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Frequency Inverters are determined as follows:

2. **Background of the valuation issue:** It was brought to the notice of this Directorate General that Frequency Inverters are being imported at lower and variable values. Therefore, an exercise to determine the customs values of the subject goods under section 25A was initiated.

3. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. Transaction Value Method under Sub-Section (1) of Section 25 of the Act ibid was found inapplicable because required information under the law was not available. Identical and Similar Goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969 provided some reference values but due to wide variations in the declarations the same could not be relied upon exclusively. In the sequential order this office then conducted market inquiries in terms of Sub-Section (7) of Section 25 of the Customs Act, 1969. Input and feed back by the participants during the Stakeholders' meetings were also considered. All the available information was analyzed and evaluated. Keeping all the above in view, Customs values of frequency inverters are determined under Sub section (9) of Section 25 of the Customs Act, 1969.

4. **Stakeholders' participation in determination of Customs values:** Meetings were held with stakeholders including importers, local manufacturers, and representative of trade bodies on 21-04-2015 and 07-05-2015. During the meetings importers appreciated determination of customs values of Frequency Inverter, and stated that Frequency Inverters are also used for industrial purpose and that their prices depend on KW ranging from 0.75 KW to 185 KW. They are mostly imported from China. They further proposed that the prices of frequency inverter may be considered in kg.



5. **Customs values for Frequency Inverters:** Frequency Inverters *hereinafter specified* shall be assessed to duty/ taxes at the following Customs value:-

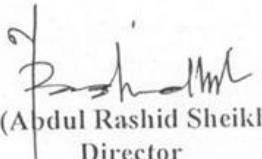
Sl. No.	Description of goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$ per KW
(1)	(2)	(3)	(4)	(5)	(6)
01.	Frequency Inverter below 1KW without battery	8504.4090	8504.4090.1000	China	US\$ 40/KW
02.	Frequency Inverter 1KW and above without battery	8504.4090	8504.4090.1100	China	US\$ 35/KW

6. In cases where declared / transaction values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Sub-Section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling.

7. **Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (1) or (3) of Section 25-A or section 25-D of the Customs Act, 1969.

8. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25-D of the Customs Act, 1969, within 30 days from the date of issuance of this Ruling, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

9. Any anomaly observed may kindly be brought to the notice of this Directorate General immediately for redressal.


(Abdul Rashid Sheikh)
Director

Copy for information to :-

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisal), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.

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8. Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
 9. Director General, Post Clearance Audit (PCA), Islamabad.
 10. Director General Internal Audit, (Customs), Islamabad.
 11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/Peshawar/ Faisalabad.
 12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
 13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading this Ruling in the system.
 14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
 15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
 16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
 17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
 18. Karachi Customs Agents Group, Bohri Road, Karachi.
 19. CHO, Customs Valuation, Custom House, Karachi.
 20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisalment, 1st floor, Custom House, Karachi.
 21. Guard File.