



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

Determination of Customs Values of Solar Fans (without battery and solar panel) (HS Code 8414.5110, 8414.5120 & 8414.5190) Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 906/2016)

No. Misc/13/2014-VII

Dated: August 12, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Solar Fans (without battery and Solar) are determined as follows:

2. **Background of the valuation issue:** The Customs values of solar fans (without battery and Solar panel) were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No.689/2014 dated 23-09-2014. A number of representations were received to re-determine the customs values afresh in the light of existing international market prices, according to the different sizes. Therefore an exercise to determine customs values of solar fans (without battery and Solar panels) afresh in terms of Section 25-A of the Customs Act, 1969 was initiated.

3. **Stakeholders' participation in determination of Customs values:** A meeting for the determination of customs values of solar fans (without battery and Solar panels) with stakeholders was scheduled on 19-07-2016. The stakeholders had been requested to submit the following documents before or during the meeting.

- Invoices of imports during last three months showing factual value.
- Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

No documents were submitted in this Directorate General on or even after the said scheduled meetings. The meeting was attended by the importers and representatives of Pakistan Electrical & Electric Merchants Association and the officers from field formations.

4. During the course of meeting, the importers were of the view that the values of Solar Fans have considerably reduced in the international market as compared to the values determined in the existing valuation ruling, therefore, the values may not be increased. They further asserted that the use of solar fans is restricted to the tribal areas and villages where there is a problem of electricity shortage. However, importers did not submit import invoices, sales tax invoices, literature, representative samples, evidences and other relevant requisite import documents in support of their contentions.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs values of solar fans (without battery and Solar panel). Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available. Identical / similar goods value methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of subject goods. Thereafter, market



enquiry as envisaged under section 25(7) of the Customs Act, 1969, was conducted. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of export were not available. Online values of subject goods were also obtained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of different type of Solar Fans (without battery and Solar panel) have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Solar Fans:** Solar Fans as *specified herein shall* be assessed to duty/ taxes at the Customs values given in the following tables.-

S. No.	Description	H.S. Code	Proposed PCT for WeBOC	Origin	Customs values US\$ (C&F)/PC
1	Solar Ceiling fan 56" (without battery/solar penal)	8414.5110	8414.5110.1000	China	10
2	Solar Ceiling fan 48" (without battery/solar penal)	8414.5110	8414.5110.1100	China	9.0
3	Solar Pedestal fan 8" (without battery/solar penal)	8414.5120	8414.5120.1000	China	4.0
4	Solar Pedestal fan 10" (without battery/solar penal)	8414.5120	8415.5120.1100	China	4.5
5	Solar Pedestal fan 12" (without battery/solar penal)	8414.5120	8415.5120.1200	China	5.0
6	Solar Pedestal fan 14" (without battery/solar penal)	8414.5120	8414.5120.1300	China	5.5
7	Solar Pedestal fan 16" (without battery/solar penal)	8414.5120	8414.5120.1400	China	6.5
8	Solar Pedestal fan 18" (without battery/solar penal)	8414.5120	8414.5120.1500	China	7.5
9	Solar Pedestal fan 20" (without battery/solar penal)	8414.5120	8414.5120.1600	China	8.5
10	Solar Bracket fan 8" (without battery/solar penal)	8414.5190	8414.5190.1000	China	3
11	Solar Bracket fan 10" (without battery/solar penal)	8414.5190	8415.5190.1100	China	3.7
12	Solar Bracket fan 12" (without battery/solar penal)	8414.5190	8416.5190.1200	China	4.2
13	Solar Bracket fan 14" (without battery/solar penal)	8414.5190	8414.5190.1300	China	4.5
14	Solar Bracket fan 16" (without battery/solar penal)	8414.5190	8415.5190.1400	China	5
15	Solar Bracket fan 18" (without battery/solar penal)	8414.5190	8414.5190.1500	China	5.5
16	Solar Bracket fan 20" (without battery/solar penal)	8414.5190	8414.5190.1600	China	6.0



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.

8. **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 of the Customs Act, 1969.

9. **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 issue of this ruling, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in the Ruling for the given description of goods are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of this Directorate General immediately. The Customs values determined in the ruling are for the descriptions and specifications as mentioned in the Table above. HS codes are mentioned for illustrative purposes only so that VR values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling all formalities relating to importability or any other certifications required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue therein.

11. *This ruling supersedes Valuation Ruling No.689/2014 dated 23-09-2014.*


(Dr. Wasif Ali Memon)
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.
8. Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Maj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
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 in WeBOC database system and deleting Valuation Ruling No.689/2014 dated 23-09-2014.
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.