



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 Custom Values of New Branded Heavy Motorcycles Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 940 /2016)

No. Misc/15/2011-VIII A

Dated: September, 28, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of new branded heavy motorcycles are determined as follows: -

2. **Background of the valuation issue:** The customs values of new branded heavy motorcycles from all origins for model years 2009 to 2013 were determined vide Valuation Ruling No.672/2014, dated 03-04-2014. In order to reflect the actual prices prevailing in the international market, an exercise was initiated in the Directorate General of Customs Valuation for determination of the custom values of new branded heavy motorcycles for model years 2014 to 2016,

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were held on 20.07.2016 and 21.09.2016 which were attended by the importers and representative of M/s Atlas Honda Ltd , M/s Pak Suzuki Ltd and officials from MCC Appraisement( East/ West) .The importers were requested to furnish the following documents:-

- A. Invoices of imports during last three months showing factual value.
- B. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- C. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- D. 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.

The importers during the meeting were of the view that the prices of the subject motorcycles have not increased in the international market. However, they could not submit any corroboratory evidence/documents in support of their contention. They, however, claimed that the market values of the subject motorcycles of model year 2014-2016 are equivalent to the values determined vide previous Valuation Ruling. The manufacturer M/s Pak Suzuki (Pvt) ltd submitted their value proposal on the basis of their import data.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed. Transaction value method in terms of Section (1) of section 25 could not be applied because the requisite information under the law was not available. Identical/similar goods value methods provided in sub section (5) and (6) of section 25 ibid provided





some reference values in respect of import of new heavy motorcycles by renowned local assemblers. Market enquiry in terms of sub section (7) of Section 25 was not found helpful in determining the custom values of the subject motorcycles. Computed values method as envisaged under Sub- Section (8) of section 25 of the Customs Act, 1969 was found applicable as cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Sub-Section (8) of section 25 of the Customs Act, 1969, in the country of export, has been reflected in MSRP of the motorcycle manufacturers. Accordingly, the following FOB values of imported new branded heavy motorcycles of various origins have been determined / calculated under computed value method as envisaged under Sub-Section (8) of Section 25 of the Customs Act, 1969, read with Sub-Section (9) of Section 25 of the Customs Act ibid on the basis of MSRP of motorcycles manufacturers after allowing necessary discount on account of domestic taxes and commission /other charges.

7. **Customs values for New Branded Heavy Motorcycles:** New Branded Heavy Motorcycles, *hereinafter specified*, shall be assessed to duty / taxes on the Customs Values mentioned against them in the tables below:-

**Table - A  
Harley -Davidson**

Sr.No.	Engine Capacity	PCT	PCT for WeBOC	Customs Values (FOB) USS per CC				
				2012	2013	2014	2015	2016
1	Above 1000CC	8711.5090	8711.5090.1500	8.31	8.4	8.82	9.26	9.72

**Table - B  
Suzuki, Honda, Yamaha, Kawasaki, Triumph, KTM, BMW**

Sr.No.	Engine Capacity	PCT	PCT for WeBOC	Customs Values (FOB) USS per CC				
				2012	2013	2014	2015	2016
1	250CC to 500CC	8711.5090	8711.5090.1000	11.19	11.47	12.04	12.64	13.28
2	501CC to 650CC	8711.5090	8711.5090.1100	10.83	10.85	11.39	11.96	12.56
3	651CC to 900CC	8711.5090	8711.5090.1200	9.3	9.3	9.76	10.25	10.76
4	901CC to 1000CC	8711.5090	8711.5090.1300	9.44	9.51	9.98	10.48	11
5	Above 1000CC	8711.5090	8711.5090.1400	6.34	6.41	6.73	7.07	7.42

*Note: The addition of freight charges, 1% insurance and 1% landing charges shall be made at the time of assessment.*

8. 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.

9. **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.

10. **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, 7<sup>th</sup> Floor, Custom House, Karachi.

11. The Collectors of Customs may kindly ensure that the values given in this Valuation 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. Customs values determined in the ruling are for the description and specification as mentioned in the tables above of this Ruling. HS Codes are mentioned for illustrative purposes so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification 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..

12. *This Valuation Ruling supersedes Valuation Ruling No. No.672/2014, dated 03-04-2014*

(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 (Appraisalment), 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), 1<sup>st</sup> Floor, PT&T Audit Building, Mauj-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 One Customs & WeBOC database system and deleting Valuation Ruling No..672/2014, dated 03-04-2014 from the system on the date of issue of this ruling.
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, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi / MCC, Appraisalment, 1<sup>st</sup> Floor, Custom House, Karachi.
21. Guard File.