



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 HIGH TENSILE NUTS, BOLTS & WASHERS
(PCT 7318.1510, 7318.1610) UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 949/2016)

No.Misc/28/2010-VI

Dated 06-10-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of high tensile nuts, bolts & washers are determined as follows : -

2. **Background of the valuation issue:** The Customs values of high tensile nuts, bolts & washers determined and notified vide Valuation Ruling No.517/2012 dated 27-12-2012 were more than three years old therefore an exercise was undertaken by this Directorate General to revise the same according to trends prevailing in the current international market.

3. **Stakeholders' participation in determination of Customs values:** A meeting with stakeholders for the determination of customs values of high tensile nuts, bolts & washers was scheduled on 08-09-2016. The meeting was attended by M/s Adamjee Engineering (Private) Limited, M/s Arrow Marketing, M/s Universal Autos and M/s Haroon Sons The stakeholders were requested to submit the following documents so that fair customs values could be determined : -

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

4. The importers during the meeting were of the view that the prices of LME has drastically decreased therefore values may be re- determined in the light of prevailing international prices. The manufacturers mainly M/s Adamjee Engineering (Private) Limited disagreed that they are hurt by values determined in the earlier valuation ruling .However, they were requested to provide the corroboratory evidence in the light of their contention which they did not submit and forwarded a letter requesting for enhancement on LME prices in lieu of conversion cost which was cross checked by net prices ,clearance data and market prices .

5. **Method adopted to determine Customs values:** Valuation methods provided under Section 25 of the Customs Act, 1969 were followed. 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 upon due to wide variation in declared values of subject goods. Deductive Value Method as envisaged under Section 25(7) of the Customs Act, 1969, was examined and local market enquiry was conducted. The prices of different types of high tensile nuts, bolts & washers in the market varied significantly and were heavily dependent on the location of the selling point or shop in the city. Online values were also checked. 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. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of high tensile nuts, bolts & washers have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Nuts, Bolts & Washers :** Galvanized /non-galvanized high tensile nuts, bolts & washers ZX/LJ *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values :-

S. No.	Description of goods	P.C.T.	Proposed PCT for WEBOC	Customs Values (C&F) in US\$ /Kg		
				China	Taiwan	Others
(1)	(2)	(3)	(4)	(5)	(6)	(7)
01.	Galvanized high tensile nuts, bolts & washers ZX/LJ (Upto 10 mm thickness)	7318.1510 7318.1610	7318.1510.1000 7318.1610.1000	1.3	1.43	1.56
02.	Galvanized high tensile nuts, bolts & washers ZX/LJ (Above 10 mm thickness)	7318.1510 7318.1610	7318.1510.1100 7318.1610.1100	1.20	1.32	1.44
03.	Non-Galvanized high tensile nuts, bolts & washers ZX/LJ (up to 10 mm thickness)	7318.1510 7318.1610	7318.1510.1200 7318.1610.1200	1.06	1.16	1.27
04.	Non-Galvanized nuts, bolts & washers ZX/LJ (Above 10 mm thickness)	7318.1510 7318.1610	7318.1510.1300 7318.1610.1300	1.00	1.10	1.20

7. 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 Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. 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.

11. *This ruling supersedes Valuation Ruling No.517/2012, dated 27-12-2012.*

(Dr. Wasil 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), 1st 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.517/2012, dated 27-12-2012 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, 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.