



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 AC Synchronous Alternators Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 997/2016)

No. Misc/28/2016-VII

11/10/14

Dated: December 20 , 2016

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

2. **Background of the valuation issue:** Customs values of AC Synchronous Alternators were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.674/2014, dated 25-04-2014. The Valuation Ruling required revision in line with the prevailing prices in the international market. Therefore, this Directorate General initiated an exercise for determination of customs values of AC Synchronous Alternators.

3 **Stakeholders' participation in determination of Customs values:** A meeting with stakeholders was held on 04-08-2016. Importers had been requested to furnish the following documents before or during the course of 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 before the said scheduled meetings. The meeting was attended by the importers and the officers from field formations.

4. During the course of meeting, the importers were of the view that the values of AC Synchronous Alternators of China origin have considerably reduced in the international market as compared to the values determined in the existing valuation ruling, therefore, the values needs to be revisited accordingly. They were requested to submit import invoices, sales tax invoices, literature, evidences and other relevant requisite import documents in support of their contentions. In spite of passing many weeks, they did not provide any documents or evidence to substantiate their contentions. During the meeting they also requested that market inquiry shall be conducted from Shahrah-e-Liaquat, Karachi. The request was acceded to. The importers agreed that work back values obtained from a market inquiry from the market where these AC Synchronous Alternators, are traded will actually reflect correct values. The prices varied depending on the KW.

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 AC Synchronous Alternators. Transaction value method provided in Section 25 (1) was found inapplicable owing to wide variation in the values being declared to the customs. 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. Thereafter, market enquiry as envisaged under section 25(7) of the Customs Act, 1969, was conducted. For the purpose, different markets were surveyed repeatedly. 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 AC Synchronous Alternators have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for AC Synchronous Alternators:** AC Synchronous Alternators, specified as *specified herein shall* be assessed to duty/ taxes at the Customs values given are as under:-

S. No.	Description of Goods	H.S. Code	Proposed PCT for WeBOC	Origin	Customs Value (C&F) US\$/ KW	
1	2	3	4	5	6	
AC Synchronous Alternators						
1	3KW to 5KW	8501.6100	8501.6100.1000	China	30	
2			8501.6100.1010	Europe	60	
3			8501.6100.1020	Other Origin	45	
4	6KW to 7.5KW		8501.6100.1030	China	24	
5			8501.6100.1040	Europe	48	
6			8501.6100.1050	Other Origin	36	
7	8KW to 12KW		8501.6100.1060	China	17	
8			8501.6100.1070	Europe	34	
9			8501.6100.1080	Other Origin	26	
10	13KW to 20KW		8501.6100.1090	China	16	
11			8501.6100.1100	Europe	32	
12			8501.6100.1110	Other Origin	24	
13	21KW to 25KW		8501.6100.1120	China	15	
14			8501.6100.1130	Europe	30	
15			8501.6100.1140	Other Origin	23	
16	26KW to 40KW		8501.6100.1150	China	14	
17			8501.6100.1160	Europe	28	
18			8501.6100.1170	Other Origin	21	
19	41KW to 60KW		8501.6100.1180	China	12	
20			8501.6100.1190	Europe	24	
21			8501.6100.1200	Other Origin	18	
22	61KW and above		8501.6200	8501.6200.1000	China	10
23			8501.6300	8501.6300.1000	Europe	20
24			8501.6400	8501.6400.1000	Other Origin	15
Assessing Officer shall ensure that no Alternator shall be assessed at value less than US\$ 2.30/kg						

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 element of air freight while assessing the goods.

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 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 this Valuation 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.

11. ***This ruling supersedes Valuation Ruling No.674/2014, dated 25-04-2014.***

(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), 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 WeBOC database system and deleting Valuation Ruling No.674/2014, dated 25-04-2014.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & 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 (East/West), Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading FBR website and deleting Valuation Ruling No.674/2014, dated 25-04-2014.
22. Guard File.