

GOVERNMENT OF PAKISTAN  
COLLECTORATE OF CUSTOMS (Appraisement)  
CUSTOM HOUSE, KARACHI

Dated 15.06.1989

PUBLIC NOTICE NO.15/89-(APPRAISEMENT)

SUBJECT CLASSIFICATION OF VALVES AS WATER FITTINGS.

A dispute regarding classification of valves used in water fittings has arisen due to change in tariff structure from CCN system to Harmonized System, PCT heading 8481.8010 covers valves used in water fittings and are leviable to Customs duty @ 100%.

One view is that all valves used in water fittings irrespective of size, type and field of applications are assessable under PCT heading 8481.8010 @ 100% Customs duty, whereas the other view is that "levy of 100% customs duty was only to protect the local industry and not on the imports for industrial uses. Accordingly, valves meant for industrial use should be chargeable to lower rate of duty of 20% under PCT heading 8481.8090.

The historical background of this issue is that under CCN, PCT heading 84.61A02 and 84.61C covered valves, cocks and other water/sanitary fittings which stood banned besides being subject to higher rate of duty. The importers, therefore, always claimed that these goods were other than water/sanitary fittings in order to circumvent ITC. Regulations and to pay the duty at lower rates. In the new PCT, based on the Harmonized system, the duty on all valves/cocks and other water fittings falling under PCT 8481.8010 has been kept at 100% ad-val and the import has been made free from all sources except the chromium plated sanitary fittings. Thus the imposition of duty at the same old rate makes it abundantly clear that PCT headings 8481.8090 covers items used as domestic water fittings for which adequate local manufacturing capacity already exists.

During the investigations, it has been revealed that most of the valves imported bear the marks W.O.G. i.e. water, oil and gas. It is, therefore, evident that the items bearing the marks W.O.G, either on item itself or in the literature are for use as industrial equipment as well as water fittings.

Considering above facts, it is notified for the information of all concerned that henceforth all valves other than those specified under PCT heading 84.81 meant for W.O.G. and over 2" size will be assessed under PCT heading 8481.8090 "Other" and fittings upto 2" or less size will assessed under PCT heading 8481.8010 as "Water fitting".

Sd/-  
(MUHAMMAD SULAIMAN)  
Collector