



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/ Exports (Karachi/ Port Qasim) .

Determination of Customs Values of Hot & Cold Water Dispenser & Parts
Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1262 / 2018)

C.No. Misc/37/2004-VII

Dated: February 20, 2018

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Hot & Cold Water Dispenser & Parts are determined as follows:-

2. **Description of the valuation issue:** The Customs values of hot & cold water dispenser & parts were determined vide valuation ruling No.1098/2017 dated 20.03.2017. Being aggrieved with the values of valuation ruling particularly parts of water dispenser, some importers-cum-assemblers filed revision petitions which were rejected being devoid of merits and substance of the subject matter. However, M/s R&I Electrical Appliances Private Limited filed appeal against order in revision before Appellate Tribunal wherein valuation ruling and order in revision were set aside. Being aggrieved with Appellate Tribunal's orders, this Directorate has filed reference before the Honorable High Court of Sindh, Karachi. A number of representations were received to re-determine customs values in accordance with prices in the international values. Therefore, an exercise was conducted to determine the customs values of hot & cold water dispenser & parts under Section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Stakeholders' meeting was scheduled on 28.12.2017. All participants were requested to submit the following documents:

- 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 values of supplies (excluding duty and taxes) to substantiate their contentions.

4. During the course of meeting, the stakeholders contended that they are manufacturers of water dispenser and the higher value of water dispenser parts is unaffordable to meet expenses of their business and manufacturing cost, therefore, the values of parts may be rationalized and separate values for individual/ different parts may be determined for uniform assessment. Further, they appreciated that they were not aggrieved with values of complete built units of water dispenser. The stakeholders were requested to submit documents/record to substantiate their contentions but till the issuances of this ruling, the relevant documents were not submitted except one importer who submitted some import documents in favour of their contentions.



5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed sequentially. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available as per law. Identical / similar goods value methods provided in Sub-Section (5) & (6) of Section 25 of the Customs Act, 1969 provided some reference values but due to wide variations in the declarations the same could not be relied upon exclusively. Thereafter, market enquiries as envisaged under Section 25(7) of the Customs Act, 1969 was conducted. Online values 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 hot & cold water dispenser & parts have been determined under Section 25(7) of the Customs Act, 1969

6. **Customs Values of Hot & Cold Water Dispenser & Parts hereinafter specified,** shall be assessed to duty/taxes on the Customs values mentioned against them in the Table below:

Table A (Values of Hot & Cold Water Dispenser)

S. No.	Description of Goods	PCT	Proposed PCT For WEOC	Origin	Customs Values (C&F) USS/kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Water Dispenser (Hot & Cold) with Mini Refrigerator		8418.6930.1000	China/UAE / Hong Kong	5.50
2	Water Dispenser (Hot & Cold) without Mini Refrigerator		8418.6930.2000		5.00
3	Water Dispenser (Hot & Cold) with Mini Refrigerator	8418.6930	8418.6930.3000	Korea/ Singapore/ Malaysia	7.00
4	Water Dispenser (Hot & Cold) without Mini Refrigerator		8418.6930.4000		6.50



Table B (Values Of Water Dispenser Parts)

S. No.	Description of Goods	PCT	Proposed PCT For WEOC	Origin	Customs Values (C&F) USS
(1)	(2)	(3)	(4)	(5)	(6)
1	Compressor for Water Dispenser (a) weighing up to 4/ kg) (b) weighing up to 5/ kg)	8414.3010	8414.3010.1000	China	(a) 20/unit (b) 25/unit
2	Evaporator for Water Dispenser	8418.9910	8418.9910.1000		4.50 /kg
3	Wire Condenser for Water Dispenser	8418.9920	8418.9920.1000		4.00 /kg
4	Top cover assembly, refrigerator door assembly, Hot tank Assembly, Cold water tank assembly and other parts of Water Dispenser	8418.9990	8418.9990.1000		2.70 /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 Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account air freight while applying the Customs values determined in this Ruling.

8. **Validity of 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, 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 the table above of this Ruling. HS Codes are mentioned for illustrative purpose 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. 1098/2017 dated 20.03.2017.*


(Muhammad Iqbal Muneeb)
Director

Copy for information to :-

1. The Member (Customs), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisal), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Director General, Intelligence and Investigation, Islamabad.
8. The Director General, Post Clearance Audit, Islamabad.
9. The Director, Intelligence & Investigation, Karachi/ Lahore/ Islamabad/Quetta/Peshawar/Faisalabad.
10. The Project Director, WeBOC, 11th Floor, Custom House, Karachi.
11. The Director, Customs Valuation, Custom House, Lahore.
12. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, uploading this Val. Ruling in One Customs & WeBOC database system and deleting VR 1098/2017 dated 20.03.2017 from the System.
13. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
14. The Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
15. Customs Revenue Audit, 8th Floor, Custom House, Karachi.