



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 Bicycle None Geared/ Geared (Low End Brands)
Under Section 25-A of the Customs Act, 1969

VALUATION RULING NO. 1300 / 2018

C.No.1/25-A/2018-VIII

1493

Dated: May 04, 2018

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, Custom values of Bicycle None Geared/ Geared (Low End Brands) are determined as follows:

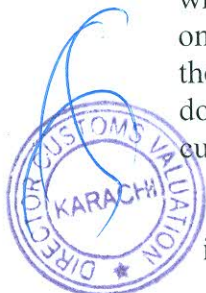
2. **Background of the valuation issue:** It was brought to the notice of this Directorate General that similar category of low end brand bicycles are being cleared at different prices in different formations. To address the issue an exercise was initiated under Section 25A of the Customs Act, 1969 in accordance with the provisions of law. The field formations were also requested to provide their valuable inputs on the matter. During the proceedings a reference No SI/Misc/28/2018-VII dated 24.3.2018 was received from MCC Appraisement (West) Karachi indicating under-invoicing in bicycles with the request to issue a Ruling.

3. **Stakeholders' participation in determination of Customs values:** Numerous meetings with stakeholders including importers and representatives from field formations were scheduled on 25.01.2018, 06.03.2018, 29.03.2018 and 12.04.2018, to discuss the current international prices of the subject goods. The importers / stakeholders were requested to submit the following documents before or during the course of stakeholders' meetings to help in determination of customs values:

- 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 their contentions.

Bicycle & Bicycles Spare Parts Association provided some documents and requested not to issue a Valuation Ruling.

4. **Method adopted to determine Customs Values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to arrive at customs values of subject goods. The transaction value method as provided in Sub-Section (1) of Section 25 of the Customs Act, 1969 was found inapplicable due to wide variation of values displayed in the import data. Hence requisite information required under law was not available to arrive at transaction values. Therefore, identical / similar goods value method as provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case but due to wide variations in declarations this method could not be relied upon exclusively. In line with the statutory sequential order of Section 25, this office conducted



market inquiries under Sub-Section (7) of Section 25 of the Customs Act, 1969. As there were certain differences in prices in different markets therefore, a number of surveys were conducted to arrive at customs values. Finally reliance had to be made on Sub-Section (7) of Section 25 of the Customs Act, 1969 to determine customs values of Bicycle None Geared/ Geared (Low End Brands).

5. **Customs values for Bicycle None Geared / Geared (Low End Brands) hereinafter specified** shall be assessed to duty/taxes at the following Customs Values:

S No	Description of goods	PCT	Proposed PCT for WeBOC	Size in Inches	Customs Values (C&F) US\$ Per Bicycle	
					China	Korea / UAE / Hong Kong / Singapore
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Bicycles Non Geared (Low End Brands)	8712.0000	8712.0000.1000	10	12.0	14.5
				12	15.0	18.0
				14	21.0	26.0
				16	25.0	31.0
				18	29.0	36.0
				20	33.0	40.0
				26	44.0	52.0
2	Bicycles Geared (Low End Brands)	8712.0000	8712.0000.2000	10	16.0	20.0
				12	19.50	25.0
				14	28.0	36.0
				16	32.0	42.0
				18	38.0	49.0
				20	42.0	54.0
				26	55.0	70.0

6. 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 and the same may be communicated to this Directorate General forthwith. 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.

7. **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



