GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

To,

The Collectors of Customs, Model Customs Collectories (Appraisement / PaCCS/Port Qasim /Preventive),
Karachi / Lahore / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Peshawar.

DETERMINATION OF CUSTOMS VALUE OF RECHARGEABLE FANS

(VALEUATION RULING NO. 457/2012)

No: Misc/01/2012-VII

Dated: 22nd May 2012.

In exercise of the powers conferred on him under section 25-A of the Customs Act, 1969, the Director,
Directorate General of Customs Valuation, Karachi has determined the customs values of rechargeable fans
hereinafter following for assessment of duty/taxes on the import of relevant goods:

1. Description of the valuation issue. A complaint brought to the notice of valuation authorities, the fact
that imported rechargeable fans of different sizes were being assessed to duty/taxes at lower than actual
transactional values causing revenue losses. This prompted an exercise to determine the fair customs
values for imported rechargeable fans.

2. Methodology adopted to determine customs values. Valuation methods given in section 25 of the
Customs Act, 1969 were examined to ascertain which methods were applicable to the valuation issue in
hand in terms of section 25-A (1) of the Act. Transactional value method provided in section 25 (1) was
found inapplicable because sufficient information with respect to adjustments to be made to the
transactional value in terms of section 25 (2) was not available. The record of customs values of identical
and similar goods was examined to gain an insight into the levels of current value declarations. These
customs values ranged from US$1.50 to US$6 per piece. Compared with prevailing local market prices,
these customs values lent credence to the allegations of under valuation and were, as such, not applicable
to the valuation issue in hand. The next method i.e. the deductive valuation method provided in section
25 (7) of the Act was found applicable to the valuation issue in hand.

3. Evidence used to determine customs values. A meeting was held on 11-05-2012 and 19-05-2012 with
the members of Pakistan Electronic Merchants Association to ascertain any evidence these stakeholders
held to rebut the allegations of undervaluation of rechargeable fans. However, these allegations went
uncontroverted and members of PEMA gave a semblance of its admission. They did not object to raising
the declared values by reasonable margin supported by evidence. Accordingly, a market survey for the
prices of fans of different sizes was conducted on 19-05-2012, the prevailing prices were ascertained and
the deductions provided for in clause (a) of section 25 (7) were made to arrive at the following customs
values for rechargeable fans.
4. Customs values for rechargeable fans. The rechargeable fans of all origins and of different sizes hereinafter specified shall be assessed to duty/taxes at the following customs values.

| S.No. | Description of goods | PCT Heading | Customs Value  
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1</td>
<td>Rechargeable Fan 8&quot;</td>
<td>8414.5130</td>
<td>US$ 5.83/piece</td>
</tr>
<tr>
<td>2</td>
<td>Rechargeable Fan 10&quot;</td>
<td>8414.5130</td>
<td>US$ 8/piece</td>
</tr>
<tr>
<td>3</td>
<td>Rechargeable Fan 12&quot;</td>
<td>8414.5130</td>
<td>US$ 10/piece</td>
</tr>
<tr>
<td>4</td>
<td>Rechargeable Fan 14&quot;</td>
<td>8414.5130</td>
<td>US$ 11.86/piece</td>
</tr>
<tr>
<td>5</td>
<td>Rechargeable Fan 16&quot;</td>
<td>8414.5130</td>
<td>US$ 14.14/piece</td>
</tr>
<tr>
<td>6</td>
<td>Rechargeable Fan 18&quot;</td>
<td>8414.5130</td>
<td>US$ 19.16/piece</td>
</tr>
<tr>
<td>7</td>
<td>Rechargeable Fan 20&quot;</td>
<td>8414.5130</td>
<td>US$ 23.18/piece</td>
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</tbody>
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5. Validity of this Valuation Ruling. If the price trend of rechargeable fans changes direction after 90 days from the date of this Ruling, the concerned stakeholders can furnish to the valuation authority sufficient documentary evidence to seek revision of the customs values determined in this Ruling. However, the values determined in this Ruling shall continue to be the applicable customs values for relevant goods till the time this Valuation Ruling is rescinded or revised by the competent authority in terms of section 25A of the Customs Act, 1969. Moreover, this Valuation Ruling applies to cases where declared values are less than the customs values determined in the ruling. In cases where declared values are more than the customs value determined in the ruling, the concerned assessing officers shall accept the declared values in terms of section 25(e) of the Customs Act, 1969.

6. Remedies against this Valuation Ruling. The Customs Act, 1969 provides efficacious alternate remedies against this Ruling. Section 25-D provides that any person aggrieved of the Ruling may file a revision petition within 30 days from the date of this Ruling before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi. An appeal against the decision in revision of the Director General can be filed within 60 days of the decision before the Customs Appellate Tribunal under section 194-A(1)(e) of the Customs Act, 1969.

(Muhammad Javed Ghani)
Director

Copy for information to:

1. S.A. To Chairman, P.B.R., Islamabad.
2. Member (Customs), P.B.R., Islamabad.
3. Chief Collector of Customs (South), Custom House, Karachi.
4. Chief Collector of Customs (North), Custom House, Islamabad.
5. Director General, Intelligence & Investigation, Islamabad.
6. Director General, Post Clearance Audit, Islamabad.
7. Director General, Internal Audit, (Customs), Islamabad.
8. Director General, Customs Valuation, Custom House, Karachi.
9. Director, Intelligence & Investigation, Karachi/Lahore/Islamabad.
10. The Project Director, Weboic, 11th Floor, Custom House, Karachi.
11. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi for uploading in One Customs & Weboic database on the date of issue of this ruling.
12. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
13. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
14. Karachi Customs Agents Group, Bohri Road, Karachi.
15. Guard File.