



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)/ Multan/ Islamabad/ Sambrial (Sialkot)/ Faisalabad /Hyderabad / Quetta/ Peshawar/Gawadar/ Gilgit-Baltistan

DETERMINATION OF CUSTOMS VALUE OF MOTORCYCLE PARTS
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO.664 / 2014)

No. Misc/31/2007-VIIIA

Dated: March 31st, 2014

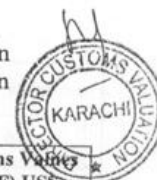
In exercise of the powers conferred under Section 25-A of the Customs Act, 1969 the Customs values of Motorcycle Parts are determined as follows: -

- 1. Description of the valuation issue:** Customs values of Motorcycle Parts were determined vide earlier Valuation Ruling No.458/2012 dated 24-05-2012. Subsequently, Customs Appellate Tribunal Karachi set aside Valuation Ruling No.458/2012 vide Order dated 08-03-2013. Accordingly, an exercise to determine the Customs values of Motorcycle Parts afresh was initiated under Section 25-A of the Customs Act, 1969.
- 2. Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed. Transaction value method as provided in Sub-Section (1) of Section 25 was found inapplicable because requisite information was not available. Identical / Similar Goods Value methods provided in Sub-Sections (5) & (6) of Section 25 ibid could not be followed because of considerable variation in declared values among various import values of subject goods. Consequently, findings of market enquiry under Deductive Value Method in terms of Sub-Section (7) of Section 25 of the Customs Act, 1969 were adopted to determine the Customs values of Motorcycle Parts read with Fall Back Method under Section 25(9) ibid.
- 3. Stakeholders' participation in determination of values:** Meetings were convened with the stakeholders on 17-03-2014 and 24-03-2014 attended by representatives of KCCI, All Pakistan Motorcycle Spare Parts Importers and Dealers Association (MSPIDA), Pakistan Automotive Manufacturers Association (PAMA), Association of Pakistan Motorcycle Assemblers (APMA) and Local Motorcycle Assemblers. The representative of PAMA stated that many motorcycle parts were being assessed at values below raw material cost and that determination of Customs value for commercial importers on the lower side was diverting the Chinese brand OEMs towards commercial imports. The representative of APMA pointed out towards the huge difference kept in previous Valuation Ruling between OEM and commercial imports and requested to determine single values for both OEM and Commercial importers. MSPIDA representatives were of the view that replacement / non genuine motorcycle parts



were of lower quality / price than OEM parts and therefore their Customs values may be determined separately in the light of market values. They further stated that the Customs values for commercial importers determined vide Valuation Ruling No.458/2012 may be reviewed.

4. **Customs values for Motorcycle Parts :** Motorcycle Parts of China origin *hereinafter specified* shall be assessed to duty / taxes on the customs values given against them in the Table below : -



S. No.	Description of Goods	H. S. Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$ OEM Brands (Genuine Parts)	Customs Values (C&F) US\$ (Commercial Brands) (Non genuine parts)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Oil Through	8714.1090	8714.1090.1000	China	25.00/kg	12.84/kg
2	Spring Clutch Lever	8714.1090	8714.1090.1100	China	11.00/kg	8.63/kg
3	Cylinder Head Cover (Front & Rear)	8409.9110	8409.9110.1000	China	8.45/kg	5.84/kg
4	Insulator Carburetor	8409.9140	8409.9140.1000	China	13.60/kg	4.47/kg
5	Ring for Piston	8409.9130	8409.9130.1000	China	10.00/kg	4.20/kg
6	Carburetor	8409.9140	8409.9140.1100	China	11.50/kg	4.15/kg
7	Crank Case (Right & Left)	8409.9110	8409.9110.1100	China	5.70/kg	3.95/kg
8	Crank Case Cover (Right & Left)	8409.9110	8409.9110.1200	China	5.30/kg	3.70/kg
9	C.D.I.Unit	8532.3010	8532.3010.1000	China	12.00/kg	2.89/kg
10	Bolt Flange 6x22	7318.1590	7318.1590.1000	China	3.94/kg	2.80/kg
11	Bolt A-Cylinder Stud	7318.1590	7318.1590.1100	China	3.68/kg	2.71/kg
12	Spring Cam Chain	8714.1090	8714.1090.1100	China	3.75/kg	2.70/kg
13	Spring Valve Inner	7320.9090	7320.9090.1000	China	3.00/kg	2.70/kg
14	Rectifier Regulator	8714.1020	8714.1020.1000	China	8.00/kg	2.69/kg
15	Bolt Flange 6x65	7318.1590	7318.1590.1200	China	3.63/kg	2.68/kg
16	Piston	8409.9110	8409.9110.1300	China	5.74/kg	2.50/kg
17	Hub (Front & Rear)	8714.1020	8714.1020.1100	China	2.89/kg	2.44/kg
18	Bolt Flange 6x40	7318.1590	7318.1590.1300	China	3.14/kg	2.26/kg
19	Valve Inlet / Exhaust	8409.9130	8409.9130.1100	China	10.84/kg	2.17/kg

20.	Cylinder Head	8409.9130	8409.9130.1200	China	5.34/kg	2.17/kg
21.	Key Lock Set (5 Pieces Set)	8301.2010	8301.2010.1000	China	3.71/kg	2.00/kg
22.	Drum Gear Shift	8714.1090	8714.1090.1200	China	2.85/kg	1.97/kg
23.	Shock Absorbers (Front and Rear)	8714.1020	8714.1020.1200	China	2.10/kg	1.95/kg
24.	Clutch Assembly	8714.1020	8714.1020.1300	China	3.02/kg	1.94/kg
25.	Crank Shaft (Right & Left)	8483.1012	8483.1012.1000	China	2.30/kg	1.90/kg
26.	Magneto	8511.2010	8511.2010.1000	China	4.45/kg	1.75/kg
27.	Shock Absorbers Components thereof	8714.1020	8714.1020.1400	China	1.90/kg	1.75/kg
28.	Main Shaft and Counter Shaft	8484.1012	8484.1012.1000	China	5.45/kg	1.65/kg
29.	Wire Harness	8544.3011	8544.3011.1000	China	2.55/kg	1.65/kg
30.	Gear Main and Counter Shaft	8483.1012	8483.1012.1100	China	2.00/kg	1.59/kg
31.	Spring Gear Shift Return	7320.9090	7320.9090.1100	China	1.50/kg	1.36/kg
32.	Cam Chain	8409.9140	8409.9140.1200	China	2.24/kg	1.35/kg
33.	Spring Valve Outer	7320.9090	7320.9090.1200	China	2.00/kg	1.34/kg
34.	Bolt B-Cylinder Stud	7318.1590	7318.1590.1400	China	1.50/kg	1.32/kg
35.	Brake Shoe	8714.1020	8714.1020.1500	China	1.55/kg	1.30/kg
36.	Cylinder Body	8409.9110	8409.9110.1400	China	1.50/kg	1.30/kg
37.	Ignition Coil	8511.3010	8511.3010.1000	China	2.78/kg	1.26/kg
38.	Spindle Gear Shaft	8483.1012	8483.1012.1200	China	1.50/kg	1.26/kg
39.	Spring Kick Starter	7320.9090	7320.9090.1200	China	1.50/kg	1.26 kg
40.	Roller Chain	7315.1110	7315.1110.1000	China	1.75/kg	1.20/kg
41.	Chain Kit(Chain with sprocket)	8714.1020	8714.1020.1600	China	1.75/kg	1.20/kg
42.	Spark Plug	8511.1000	8511.1000.1000	China	1.00/pc	0.40/pc

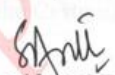
Note: All other motorcycles parts classifiable under respective headings, not specified above, may be assessed not below assessable value of US \$1.45/kg.

5. In cases where declared/ transaction values are higher than the Customs values determined in this Ruling, the assessing officer 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



differential between air freight and sea freight while applying the Customs values determined in this Ruling.

6. **Validity of this Valuation Ruling:** The value 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-Section (1) or (3) of Section 25-A of the Customs Act, 1969.
7. **Review of the value determined vide this Valuation Ruling:** A review 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.
8. The Collectors of Customs may kindly ensure that the values given in the Ruling for the given description of goods are applied by the concerned staff without fail. Any anomaly observed with respect to PCT may kindly be brought to the notice of Directorate General immediately.


(Suraiya Ahmed Butt)
Director

Copy for information to :-

1. S.A. to Chairman, F.B.R., Islamabad.
2. Member (Customs), F.B.R., Islamabad.
3. Director General, Customs Valuation, Custom House, Karachi.
4. Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
5. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
6. Chief Collector of Customs (Central), Lahore.
7. Chief Collector of Customs (North), Islamabad.
8. Director General, Intelligence and Investigation, Islamabad.
9. Director General, Post Clearance Audit, Islamabad.
10. Director General Internal Audit, (Customs), Islamabad.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
12. The Project Director, WeBOC, 11th Floor, Custom House, Karachi.
13. Director, Customs Valuation, Custom House, Lahore.
14. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database and deleting the Valuation Ruling No.458/2012, dated 24-05-2012, on the date of issue of this Ruling.
15. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
16. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
17. Customs Revenue Audit, 8th Floor, Custom House, Karachi.
18. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
19. Review Section, Customs Valuation, 7th floor, Custom House, Karachi.
20. Karachi Customs Agents Group, Bohri Road, Karachi.
21. CHO, Customs Valuation, Custom House, Karachi.
22. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisalment, 1st floor, Custom House, Karachi.
23. Guard File.