



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorates, Appraisement (East / West) / Port Muhammad Bin Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Peshawar/ Gawadar / Gilgit-Baltistan.

DETERMINATION OF CUSTOMS VALUES OF LEAD ACID BATTERIES
(H.S.CODE NO. 8507.1010, 8507.1020, 8507.1090, 8507.2010 & 8507.2090) UNDER
SECTION 25-A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO. 723/2015)

No. Misc/04/2013-VII

8336

Dated: March 03, 2015

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

- 1. Background of the valuation issue:** The Customs values of Lead Acid Batteries were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No. 600/2013 dated 24-10-2013, and its Amendment dated 02-12-2013. The local manufacturers have contended that there are different types of batteries but in the ruling, all types have been clubbed together and high value batteries are being cleared at the VR values. On the other hand importers of batteries have contended that prices of raw materials like lead, plastic etc have declined, therefore, values shall be rationalized. The Ruling was over a year old, therefore, the issue was taken up for re-determination of Customs values of different lead acid batteries 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 applied sequentially to address the valuation issue at hand. Transaction Value Method under Sub-Section (1) of Section 25 of the Act ibid was found inapplicable because required information under the law was not available. Identical and Similar Goods valuation methods provided in Sub-Sections (5) and (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. In the sequential order this office then resorted to conduct a market inquiry in terms of Sub-Section (7) of Section 25 of the Customs Act, 1969. Input and feedback by the participants during the stakeholder meeting was also considered. All the available information was analyzed and evaluated. Keeping all the above in view, Customs values of lead acid batteries are, determined under Sub section (9) of Section 25 of the Customs Act, 1969.



3. **Stakeholders' participation in determination of Customs values:** Numerous representations from local manufacturers and importers have been received in this office which gave divergent point of view on the issue of valuation. Different stakeholders were invited for their input and feedback on scheduled meetings held on 16-10-2014 and 20-10-2014. In pursuance of meetings, information and record was presented by different stakeholders. Differences in prices on account of specifications and origin have been discussed in detail. All the participants; manufacturers as well as importers had a consensus that the benchmark for determination of customs values shall be weight. Although there are difference on account of voltage (amp) but the differences are not significant and that weight duly takes care of the values.

4. **Customs values for Lead Acid Batteries :** Lead Acid Batteries *hereinafter specified* shall be assessed to duty/ taxes at the following Customs values :-

S No	Description of goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$ per Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	Lead Acid Battery for Automotive	8507.1010 8507.1020 8507.1090	8507.1010.1000 8507.1020.1000 8507.1090.1000	China Vietnam Sri Lanka Taiwan	US\$ 1.90/kg
02.	Lead Acid Battery for Automotive	8507.1010 8507.1020 8507.1090	8507.1010.1100 8507.1020.1100 8507.1090.1100	Korea Thailand	US\$ 2.09/kg
03.	Lead Acid VRLA Battery	8507.2010 8507.2090	8507.2010.1000 8507.2090.1000	China Vietnam Sri Lanka Taiwan	US\$ 1.89/kg
04.	Lead Acid VRLA Battery	8507.2010 8507.2090	8507.2010.1100 8507.2090.1100	Korea Thailand	US\$ 2.08/kg
05.	Lead Acid OPZ Battery	8507.2010 8507.2090	8507.2010.1200 8507.2090.1200	China Vietnam Sri Lanka Taiwan	US\$ 3.45/kg
06.	Lead Acid OPZ Battery	8507.2010 8507.2090	8507.2010.1300 8507.2090.1300	Korea Thailand	US\$ 3.95/kg
07.	Lead Acid Battery for UPS & General purpose	8507.2090	8507.2090.1400	China Vietnam Sri Lanka Taiwan	US\$ 1.72/kg
08.	Lead Acid Battery for UPS & General purpose	8507.2090	8507.2090.1500	Korea Thailand	US\$ 1.89/kg



5. 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. 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 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 (4) of Section 25-A of the Customs Act, 1969.
7. **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.
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 may kindly be brought to the notice of this Directorate General immediately for redressal.
9. This Ruling supersedes Valuation No.600/2013 dated 24-10-2013 and Amendment dated 02-12-2013.


(Abdul Rashid Sheikh)
Director

Copy for information to :-

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation, Islamabad.
8. Director, Post Clearance Audit, Karachi /Islamabad/ Lahore
9. Director Internal Audit, (Customs), Karachi / Islamabad / Lahore
10. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
11. Director, Customs Valuation, Custom House, Lahore.
12. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database.