



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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

**Determination of Customs Values of Cham Shaft, Crank Shaft, Spark Plug, Lamps  
Lights Lenses, Sealed Beams and Rubber Parts (Replacement Auto Parts)  
Under Section 25-A of the Customs Act, 1969.**

(VALUATION RULING NO. 1286 / 2018)

No. Misc /22/2009-VIIIA

/Part-III

437

Dated: April 17, 2018

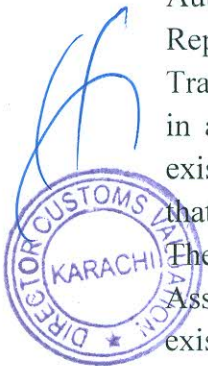
In exercise of the powers conferred under Section 25A of the Customs Act, 1969, custom values of Cham Shaft, Crank Shaft, Spark Plug, Lamps Lights Lenses, Sealed Beams and Rubber Parts (Replacement Auto Parts) are determined as follows:

2. **Background of the Valuation Issue:** Earlier the Customs values of Replacement Auto Parts were determined vide Valuation Ruling No.1193/2017 dated 07.07.2017. A number of representations were received from importers namely M/s. Allied Trading Co., M/s. Universal Auto Engineering, M/s. A. B. Memon & Sons and others, wherein they desired that values of the Replacement Auto Parts need to be realigned by taking into consideration the category of Light Transport Vehicle (LTV) and Heavy Transport Vehicle (HTV) replacement auto parts separately in accordance with the prevailing international market prices. They further stated that in the existing valuation ruling the Customs values of the subject goods were increased despite the fact that the prices of iron & steel and other raw materials were declining in international markets. They contended that the view point of Pakistan Auto Spare Parts Importers and Dealers Association (PASPIDA) and commercial importers were not taken into account while issuing the existing Valuation Ruling. They further pointed out that the market survey conducted was not comprehensive and the quality, weight and market price of LTV and HTV were not focused fully by the department. They requested to determine the applicable customs values afresh in accordance with the trend of values in the international markets of replacement auto parts of Light Transport Vehicles (LTV) and Heavy Transport Vehicles (HTV).

They have successfully argued before the Director General for separately determining the customs values of replacement auto parts for HTVs and LTVs. Consequently the ruling was remanded for redetermination of customs values of subject items with reference to HTV and LTV.

3. **Stakeholders' Participation in Determination of Customs Values:** Numerous meetings with stakeholders, including representatives of clearance collectorates, were held in this Directorate General. The importers / stakeholders had been requested to submit the following documents before or during the course of stakeholders meetings so that customs values could be determined:

- i) Invoices of imports during last three months showing customs 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.

4. The importers contested their point of view as briefed above and submitted that the replacement Auto Parts values may be rationalized according to market prices since the raw material prices and manufacturing cost have decreased due to technology advancement; magnitude of import and after sale demand of goods of China and other origins. The representatives from clearance Collectorates contended that customs values are already on the lower side and most of the values in the existing ruling have been determined after feedback from different stakeholders. However, they conceded that the difference between HTV and LTV vehicles needs to be re-determined. The view point of all participants was heard in detail and considered to arrive at Customs value for subject goods.

5. **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 the correct transaction value. 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 Cham Shaft/Crank Shaft/Spark Plug/ Lamp Light Lenses/ Sealed Beams and Rubber Parts Replacement Auto Parts.

6. **Customs Values for Cham Shaft/Crank Shaft, Spark Plug/Lamps Lights Lenses, Sealed Beams and Rubber Parts (Replacement Auto Parts) *hereinafter*** specified shall be assessed to duty / taxes at the following Customs Values:-

