



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

Determination of Customs Values of Tyres & Tubes - IV (Bicycle, Motorcycle, Scooter, & Rickshaw etc.) under Section 25-A of the Customs Act, 1969

(Valuation Ruling No. 1321/2018)

No.Misc/08/2005-III

11274

Dated: August 30th, 2018

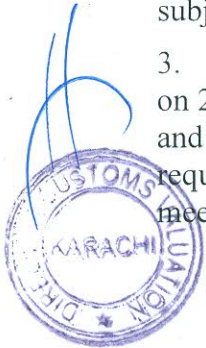
The Customs values of Tyres & Tubes for Bicycle, Motorcycle, Scooter, & Rickshaw etc. are hereby determined in exercise of the powers conferred under Section 25-A of the Customs Act, 1969.

2. **Background of the valuation issue:** The customs values of tyres & tubes of different types and sizes including those of motorcycle, scooter & rickshaw and tubes thereof were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No. 1236/2017 dated 15-12-2017. However, different stakeholders requested to re-determine customs values afresh in line with values prevalent in the international market. Therefore, an exercise was initiated in terms of Section 25-A of the Customs Act, 1969 to determine customs values of subject goods in light of existing international market prices.

3. **Stakeholders' Participation in determination of Customs Values:** Meetings were held on 24-04-2018, 04-06-2018 and 02-08-2018 with stakeholders including Pakistan Tyre Importers and dealers Association (PTIDA) and the officers from field formations. The importers had been requested to furnish the following documents before or during the course of above said meetings:-

- Invoices of imports during last three months showing actual value of goods.
- Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- Copies of contracts made / LCs opened during the last three months showing the value of item in question.
- Copies of Sales Tax Invoices issued during last four months showing the values of supplies (excluding duty and taxes) to substantiate their contentions.


4. During the course of meetings, certain importers submitted that custom values of various tyres and tubes determined in the existing valuation ruling are on higher side, therefore, the same may be rationalized downward. They were requested to submit evidences in support of their claims. The Pakistan Tyre Importers and Dealers Association (PTIDA) also submitted proposals for values of different types of tyres and tubes. The participants requested to include additional sizes and types of tyres and tubes too, not explicitly covered under the Ruling. A number of importers and office bearers of PTIDA contended that difference between non radial and radial type tyres have been kept at very high level which is against the trade industry practice. This difference shall be brought down to a reasonable level. In the same way, differences in ply ratings have also been kept at unreasonably high level which shall also be brought to the



reasonable level in line with trade industry practice. Certain stakeholders pointed towards escalation of prices of raw materials of tyres and tubes therefore, prices shall be adjusted upward accordingly. Barring a few importers, most of the stakeholders abstained from submitting evidences and documents in support of their contentions. All available record and evidences were examined for the determination of customs values.

5. **Method Adopted to Determine Customs Values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs values of tyres & tubes. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available. Identical / similar goods value methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on. Thereafter, market enquiries as envisaged under section 25(7) of the Customs Act, 1969, were conducted which gave values for most of the tyres and tubes bought and sold in the local market. The tyres and tubes of some specifications were not readily available in the market; therefore, different markets were surveyed repeatedly. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs of the constituent material at the country of export were not available. Online values of subject goods were also obtained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Tyres & Tubes of bicycle, motorcycle, scooter, rickshaw etc. and tubes thereof have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs Values of Tyres and Tubes:** Customs values of Tyres & Tubes of bicycle, motorcycle, scooter, rickshaw etc. and tubes thereof, *hereinafter specified*, shall be assessed to duty/taxes on the Customs values as mentioned at Annexure-A and Annexure-B, which form integral part of this Valuation Ruling along with following conditions:-

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- i. *Where only tubes are imported, other than specified sizes of two and three wheeler vehicles tyres, such tubes shall be assessed at 15 % of the value of the tyre if imported separately.*
 - ii. *Value of tyres with different "Ply" shall be assessed by adding or subtracting from the determined value @ 3% per two ply rating.*
 - iii. *Discount of 5% is admissible for import of tyres & tubes through land route on C&F value determined by this Directorate General.*
 - iv. *If tyres and tubes having specifications other than those mentioned in the valuation ruling are imported, the Collectorates may assess the goods under Section 25 of the Customs Act, 1969 or may refer a case to this Directorate General for suitable advice.*

7. 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 consignment imported by air, the assessing officer shall take into account the differential between the air freight and sea freight while applying the customs values in this ruling.

8. **Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable customs values 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 (3) of Section 25-A of the Customs Act, 1969.

9. **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,

