



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 / Export (Karachi / Port Qasim) / JIAP, Karachi / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta (Appraisement / Preventive) / Peshawar (Appraisement / Preventive) / Gawadar / Gilgit-Baltistan.

Determination of Customs Values of Ball, Taper, Needle, Roller, Spherical & Cylindrical Bearings under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1389 /2019)

C.No. Misc/01/2009-VII (Part-V) /2351

Dated: 05-09-2019

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Ball, Taper, Needle, Roller, Spherical & Cylindrical Bearings are determined as follows: -

2. **Background of the valuation issue:** Customs values of Ball, Taper, Needle, Roller, Spherical & Cylindrical Bearings were determined under section 25A of the Customs Act, 1969 vide Valuation Ruling No.1386/2019 dated 24.07.2019. The values determined vide aforementioned Valuation Ruling were challenged before the Director General Customs Valuation under Section 25-D of the Customs Act, 1969 by various importers. The Director General vide Order-in-Revision No.10/2019 dated 08.08.2019 set-aside the Valuation Ruling accepting the contentions of petitioners regarding categorization of various brands into A, B and C categories and values determined therefor. The working carried out by the department in terms of Section 25(7) of the Customs Act, 1969 to determine values was also deemed defective. Accordingly, it was ordered to determine valuation of Ball, Taper, Needle, Roller, Spherical & Cylindrical Bearings afresh after consulting all stake holders and through adopting transparent and fair mechanism. In compliance of said Order-in-Revision, an exercise was initiated in this Directorate General to determine customs values of subject goods in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' Participation in Determination of Customs Values:** Meetings were held with stakeholders on 27.08.2019 & 29.08.2019 which were attended by different stakeholders including importers and representatives from Bearing Trade Group. All the stakeholders were requested to submit following documents before or during the course of 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 the last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

4. During the course of meetings the participants contended that values determined vide valuation ruling 1386/2019 dated 24.07.2019 are on lower side for newly created category "C" whereas for A & B categories, the same are very high. It was observed during the meetings that the main contention among the various importers and representative trade body was categorization. Some importers were of the view that brand having almost same standard of quality and placed in different categories which results in unfair competition. The trade body and importers informed that there was no substantial difference in values of various brands of bearings importer from same origin. It was, accordingly agreed with consensus that categories be eliminated from new rulings and values be fixed origin-wise. The importers and representatives of trade body submitted their joint proposal on their letterhead dated 03-09-2019 regarding valuation and elimination of all categories alongwith their forty six (46) members' signatories with complete signatures and stamps.

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5. **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 the requisite information under the law was not provided by the importers. The documents submitted by different importers were not sufficient to prove that their declared value was true transactional value. 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 conducted market inquiries in terms of Sub-Section (7) of Section 25 of the Customs Act, 1969. Input and feed back by the participants during the stakeholders meetings were also considered. Online information was also obtained. All the information so gathered was analyzed and evaluated. Moreover, previous seven months import data for declared values of same goods was also obtained and analyzed percentage-wise and the weighted average was also calculated. Keeping all the above in view, customs values of Ball Bearings and Taper Bearings are determined under Sub-Section (7) of Section 25 of the Customs Act, 1969.

6. **Customs Values of Ball, Taper, Needle, Roller, Spherical & Cylindrical Bearings hereinafter specified** shall be assessed to duty/taxes on the Customs values mentioned against them in the Table below:-


| Sr. No. | Description of Goods | HS Code | Proposed PCT for WeBOC | Origin | Customs Value US\$/Kg |
|---------|--|--|--|---|-----------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| 1 | Ball Bearing Taper Bearing | 8482.1000 8482.2000 | 8482.1000.1000 8482.2000.1000 | China & India | 2.75 |
| 2 | Needle, Roller, Spherical, Cylindrical Bearing | 8482.3000 8482.4000 8482.5000 8482.6000 8482.7000 8482.8000 | 8482.3000.1100 8482.4000.1100 8482.5000.1100 8482.6000.1100 8482.7000.1100 8482.8000.1100 | | 5.20 |
| 3 | Ball Bearing Taper Bearing | 8482.1000 8482.2000 | 8482.1000.1000 8482.2000.1000 | Romania Poland Slovakia Bulgaria | 5.50 |
| 4 | Needle, Roller, Spherical, Cylindrical Bearing | 8482.3000 8482.4000 8482.5000 8482.6000 8482.7000 8482.8000 | 8482.3000.1100 8482.4000.1100 8482.5000.1100 8482.6000.1100 8482.7000.1100 8482.8000.1100 | Hungary Russia Thailand Taiwan Korea Vietnam | 6.00 |
| 5 | Ball Bearing Taper Bearing | 8482.1000 8482.2000 | 8482.1000.1000 8482.2000.1000 | Japan | 6.50 |
| 6 | Needle, Roller, Spherical, Cylindrical Bearing | 8482.3000 8482.4000 8482.5000 8482.6000 8482.7000 8482.8000 | 8482.3000.1100 8482.4000.1100 8482.5000.1100 8482.6000.1100 8482.7000.1100 8482.8000.1100 | | 10.00 |

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 Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account air freight while applying the customs values determined in this Ruling.

8. **Validity of 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 (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, within 30 days from the date of issue, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in this Valuation 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. Customs values determined in the ruling are for the description and specification as mentioned in the table above of this Ruling. HS Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue therein.


(Shafique Ahmad Latki)
Director

Copy for information to:

1. The **Member** (Customs, Operations), F.B.R., Islamabad.
2. The **Director General**, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Chief Collector of Customs, (Enforcement), Custom House, Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
10. The Director General, Post Clearance Audit (PCA), Islamabad.
11. The Director General, Internal Audit (Customs), Karachi.
12. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/Peshawar/ Faisalabad.
13. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
14. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
15. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
16. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
17. The Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. The Karachi Customs Agents Group, Bohri Road, Karachi.
19. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi.
20. The Webmaster, Federal Board of Revenue, Islamabad.
21. Guard File.