



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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 Engine Parts (Replacement Auto Parts)
under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1400 /2019)

No.Misc/22/2009-VIIIA/Part-III /2529

Dated: 30 October, 2019

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, Customs values of Engine Parts (Replacement Auto Parts) are determined as follows:

2. **Background of the Valuation Issue:** Earlier the Customs values of Engine Parts (Replacement Auto Parts) were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling (VR) No.1285/2018 dated 17-04-2018. Being aggrieved by this VR, revision petitions under Section 25D ibid were filed by various importers. The Director General of Customs Valuation disposed of said revision petitions vide Order-in-Revision No.12/2019 dated 2-09-2019 and directed this office to re-determine the Customs values afresh as the impugned VR was more than 18 months old. Moreover, the Federal Board of Revenue issued CGO No.15/2019 dated 13th September 2019 and CGO No.17/2019 dated 19th September 2019 and changed the Unit of Measurement (UoM) of a number of PCT headings, including some of those falling in said VR, for assessment purposes. This necessitated re-determination of Customs values to bring the Unit of Measurement in conformity with above CGOs.

3. **Stakeholders' Participation in Determination of Customs Values:** Meetings with all the stakeholders, trade bodies including representatives of clearance Collectorates, were held in this Directorate General on 10-10-2019 and 17-10-2019. The importers/stakeholders were requested to submit their proposals/suggestions as well as 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. During the meetings, it was observed that local manufacturers and importers were of conflicting views regarding valuation of replaceable auto parts. The auto parts manufacturers

contended that the values of spare auto parts had significantly increased in the international market and, therefore, the same may be determined accordingly. M/s Indus Motors expressed their concerns mainly on import values of lamps, oil filter, air filter and engine parts. On the other hand, the importers challenged the manufacturers' point of view and submitted that due to number of factors like decreasing trend in the raw material's prices, manufacturing cost, technological advancement, magnitude of import, and after sale demand etc., the import values of replacement auto parts are affected. It was thus, requested that all such factors may be taken into consideration while determining values of subject goods. M/s PASPIDA also highlighted the same issues as stated above. However, no importers submitted any documents like import invoices, sales tax invoices, and literature/representative samples etc. to substantiate their claims. The representatives from clearance Collectorates contended that Customs values are already on the lower side and may be rationalized accordingly. He also insisted that the difference between HTV and LTV needs to be re-determined. The stakeholders, however, provided various proposals to convert the unit of measurement from kilogram to per piece basis. The view point of all participants was heard in detail and considered to arrive at Customs values of 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. Moreover, no participant of meeting submitted documentary evidences to prove that their declared value was true transactional value. 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 a number of inquiries from various markets to arrive at Customs values under sub-Section (7) of Section 25 of the Customs Act, 1969. Finally reliance had to be made on sub-Section (7) of Section 25 of the Customs Act, 1969 to determine Customs values of Engine Parts (Replacement Auto Parts).

6. **Customs Values for Engine Parts (Replacement Auto Parts):** Engine Parts (Replacement Auto Parts) *hereinafter specified* shall be assessed to duty / taxes at minimum Customs values as per attached Annexure-A.

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 and the same may be communicated to this Directorate General forthwith. 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.

8. **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

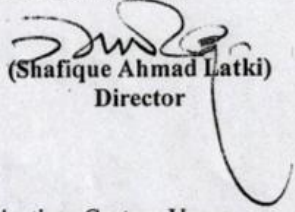


rescinded or revised by the competent authority in terms of sub-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

9. **Revision of the value determined vide this Valuation Ruling:** This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, under Section 25-D of the Customs Act, 1969, within 30 days from the date of issue of this ruling 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 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 Directorate General immediately. The Customs values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein, HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling requisite formalities relating to importability or other certifications 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 of the Customs Act, 1969 or any other law in vogue therein.

11. *This ruling supersedes Valuation Ruling No.1285/2018 dated 17-04-2018.*


(Shafique Ahmad Latki)
Director

Copy for information to:

1. The Member (Customs, Operations), F.B.R., Islamabad.
2. The Director General, Directorate General of Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisal), 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 Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting *Valuation Ruling No. 886/2016 dated 25.07.2016*
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. The Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.

S.No.	Description of goods	PCT Code	Proposed PCT for WeBOC	Custom Value (C&F) US\$					
				China	Malaysia, Thailand, Indonesia, Korea & Taiwan	Japan	Europe	Other Origins	
1	Piston Set	8409.9910	8409.9910.1000						
	(i) Weighing Less than 2 Kgs			3.94/Kg	4.91/Kg	7.47/Kg	8.14/Kg	4.91/Kg	
	(ii) Weighing 2 Kgs and above			3.60/Kg	4.48/Kg	6.79/Kg	7.43/Kg	4.48/Kg	
2	Ring Set	8409.9910	8409.9910.1100						
	(i) Weighing Less than 500			12.98/Kg	14.93/Kg	17.52/Kg	19.47/Kg	14.93/Kg	
	(ii) Weighing 500 grams and above			12.39/Kg	14.28/Kg	16.64/Kg	18.29/Kg	14.28/Kg	
3	Liners	8409.9910	8409.9910.1200						
	(i) Weighing less than 4 Kgs			3.69/Kg	4.35/Kg	5.90/Kg	6.37/Kg	4.35/Kg	
	(ii) Weighing 4 Kgs and above			2.74/Kg	3.22/Kg	4.37/Kg	4.72/Kg	3.22/Kg	
4	Pump Parts (e.g. Nozzle, Plungers/Delivery Valve)	8413.9150	8413.9150.1000						
	(i) LTV			10.30/Kg	14.38/Kg	20.27/Kg	22.61/Kg	14.38/Kg	
	(ii) HTV			9.38/Kg	13.10/Kg	18.76/Kg	20.59/Kg	13.10/Kg	
5	Other Engine Parts	8409.9930	8409.9930.1100						
	(i) LTV			3.69/Kg	4.35/Kg	5.90/Kg	6.37/Kg	4.35/Kg	
	(ii) HTV			3.42/Kg	4.01/Kg	5.43/Kg	5.84/Kg	4.01/Kg	
6	Engine Valves, Valve Tapper, Valve Guide, Cylinder Block	8409.9130	8409.9130.1000						
	(i) LTV	8409.9140	8409.9140.1100	3.69/Kg	4.37/Kg	5.90/Kg	6.37/Kg	4.37/Kg	
	(ii) HTV	8409.9999	8409.9999.1000	3.36/Kg	3.95/Kg	5.19/Kg	5.66/Kg	3.95/Kg	
7	Gasket	8484.1022	8484.1022.1000						
	(a) LTV	8484.1029	8484.1029.1000						
	(i) Upto 800 CC			0.38/Pc	0.45/Pc	0.61/Pc	0.66/Pc	0.45/Pc	
	(ii) 801 CC to 1300 CC			0.65/Pc	0.77/Pc	1.04/Pc	1.12/Pc	0.77/Pc	
	(iii) 1301 CC to 1600 CC			0.95/Pc	1.12/Pc	1.51/Pc	1.63/Pc	1.12/Pc	
	(iv) 1601 CC to 1800 CC			1.25/Pc	1.48/Pc	2.00/Pc	2.16/Pc	1.48/Pc	
	(v) Above 1800 CC			1.87/Pc	2.21/Pc	2.98/Pc	3.22/Pc	2.21/Pc	
	(b) HTV								
	(i) Upto 5000 CC			3.30/Pc	3.89/Pc	5.25/Pc	5.67/Pc	3.89/Pc	
	(ii) Above 5000 CC			4.20/Pc	4.96/Pc	6.70/Pc	7.24/Pc	4.96/Pc	
8	Connecting Rod Bearing, Main Engine Bearing, Plain Shaft Bearing/Bushing	8483.3010	8483.3010.1000						
	(a) LTV								
	(i) Upto 800 CC			1.21/Pc	1.43/Pc	1.93/Pc	2.08/Pc	1.43/Pc	
	(ii) 801 CC to 1300 CC			1.65/Pc	1.95/Pc	2.63/Pc	2.84/Pc	1.95/Pc	
	(iii) 1301 CC to 1600 CC			1.90/Pc	2.24/Pc	3.03/Pc	3.27/Pc	2.24/Pc	
	(iv) 1601 CC to 1800 CC			2.10/Pc	2.48/Pc	3.35/Pc	3.61/Pc	2.48/Pc	
	(v) Above 1800 CC			2.50/Pc	2.95/Pc	3.98/Pc	4.30/Pc	2.95/Pc	
	(b) HTV								
	(i) Upto 5000 CC			6.00/Pc	7.50/Pc	10.15/Pc	11.00/Pc	7.50/Pc	
	(ii) Above 5000 CC			8.00/Pc	9.50/Pc	13.00/Pc	14.00/Pc	9.50/Pc	
9	Connecting Rod	8483.1019	8483.1019.1200						
	(a) LTV								
	(i) Upto 800 CC			1.51/Pc	1.78/Pc	2.41/Pc	2.60/Pc	1.78/Pc	
	(ii) 801 CC to 1300 CC			4.00/Pc	4.72/Pc	6.37/Pc	6.88/Pc	4.72/Pc	
	(iii) 1301 CC to 1600 CC			5.50/Pc	6.49/Pc	8.76/Pc	9.46/Pc	6.49/Pc	
	(iv) 1601 CC to 1800 CC			6.20/Pc	7.32/Pc	9.88/Pc	10.67/Pc	7.32/Pc	
	(v) Above 1800 CC			8.00/Pc	9.44/Pc	12.74/Pc	13.76/Pc	9.44/Pc	
	(b) HTV								
	(i) Upto 5000 CC			7.00/Pc	8.50/Pc	10.00/Pc	11.50/Pc	8.50/Pc	
	(ii) Above 5000 CC			12.00/Pc	14.00/Pc	19.00/Pc	20.50/Pc	14.00/Pc	

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