



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 PCT (8482.1000, 8482.2000, 8482.3000, 8482.4000, 8482.5000, 8482.6000, 8482.7000, & 8482.8000) AND PARTS / COMPONENTS OF BEARINGS PCT (8482.9100, 8482.9910, 8482.9990) UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1408 / 2019)

No. Misc/01/2009-VII (Part-V) / 12541

Dated: 01, -11-2019



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 and parts / components of 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.1389/2019 dated 05.09.2019. The Federal Board of Revenue issued CGO No. 15/2019 & 17/2019 dated 13-09-2019 and 19-09-2019 respectively wherein Unit of Measurement (UOM) of a number of commodities including Ball, Taper, Needle, Roller, Spherical & Cylindrical Bearings was changed from Kilograms to Unit (Per Piece) for the purpose of assessment. Moreover, a number of representations were received in this Directorate General that the values of parts / components of Bearings should be in line with new Valuation Ruling No.1389/2019 dated 05.09.2019. Keeping in view the above facts, an exercise to determine the customs values of the subject goods under section 25A of the Customs Act 1969.

3. Stakeholders' Participation in Determination of Customs Values: Meetings were held with stakeholders on 14.10.2019 & 29.10.2019 which were attended by importers as well as 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 Customs values of Ball, Taper, Needle, Roller, Spherical & Cylindrical Bearings were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No:1389/2019 dated 05.09.2019 which was just two month's old, and, therefore, the values determined therein should not be changed. However it was agreed that the said values would be converted into per piece basis keeping in view the part numbers and their respective weights as given in book of NTN Ball and Roller Bearings, printed / issued from Japan by NTN Corporation, Osaka, Japan. All the participants agreed to said proposal. The issue of determination of values of parts / components of Bearings, which according to participants should have been in line with new Valuation Ruling No.1389/2019 dated 05.09.2019, was also discussed in the light of price trends in international markets.

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 month's 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, and parts thereof 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-I** enclosed with this VR as :-

- Annex-A :** Sr. No. 01 to Sr. No. 505 comprising of pages 01 to page 08),
Annex-B : Sr. No. 01 to Sr. No. 211 comprising of pages 01 to page 04), &
Annex-C : Sr. No. 01 to Sr. No. 114 comprising of pages 01 to page 02).

However, **Customs Values of parts / components of Bearings hereinafter specified** shall be assessed to duty/taxes on the Customs values mentioned against them in the **Table-II** below :-

