



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 Aluminum Radiators
under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1415 /2019)

No.Misc/22/2013-VIII A /2536

Dated: 01, November, 2019

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, Customs values of Aluminum Radiators are determined as follows:

2. **Background of the Valuation Issue:** Earlier the Customs values of Aluminum Radiators were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.1119/2017 dated 31-03-2017. The Federal Board of Revenue issued CGO No.15/2019 dated 13th September 2019 and CGO No.17/2019 dated 19th September 2019 wherein the Unit of Measurement (UoM) of a number of items including Aluminum Radiator for the assessment purposes was changed. This necessitated re-determination of Customs values to bring the Unit of Measurement in conformity with above CGOs.

Stakeholders' Participation in Determination of Customs Values: Meetings with all the stakeholders, trade bodies, including representatives of clearance Collectorates, was held in this Directorate General on 24-10-2019. 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 meeting, it was observed that local manufacturers and importers were of conflicting views regarding valuation of Aluminum Radiator. The manufacturers contended that the values of Aluminum Radiator had significantly increased in the international market and, therefore, the same may be determined accordingly. 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 materials' prices, manufacturing cost, technological advancement, magnitude of import, and after sale demand etc., the import value of Aluminum Radiator are affected. It was

thus, requested that all such factors may be taken into consideration while determining values of subject goods. 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. They 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 Aluminum Radiators.



Customs Values for Aluminum Radiators: Aluminum Radiators *hereinafter specified* shall be assessed to duty / taxes at the following minimum Customs values:-

| S.No. | Description | PCT Code | Proposed PCT for WeBOC | Origin | Customs Values (C&F) USS/Pc |
|------------|---------------------------|-----------|------------------------|--------|-----------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| | Aluminum Radiators | 8708.9110 | 8708.9110.1000 | China | |
| (a) | LTV | 8708.9190 | 8708.9190.1000 | | |
| (i) | Upto 800 CC | | | | 10.80 |
| (ii) | 801-1300 CC | | | | 15.00 |
| (iii) | 1301 CC-1600 CC | | | | 16.80 |
| (iv) | 1601 CC- 1800 CC | | | | 18.00 |
| (v) | Above 1800 CC | | | | 24.00 |
| (b) | HTV | | | | |
| (i) | Upto 5000 CC | | | | 42.00 |
| (ii) | Above 5000 CC | | | | 54.00 |

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 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. 1119/2017 dated 31-03-2017.***


(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, 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. 1119/2017 dated 31.03.2017*
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.
17. The Karachi Customs Agents Group, Bohri Road, Karachi.
18. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi.
19. The Webmaster, Federal Board of Revenue, Islamabad.