



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorate, 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 HOT & COLD WATER DISPENSER AND PARTS UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1419/2019)

No. Misc/37/2009-VII /2544

Dated: 2nd November, 2019

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Hot & Cold Water Dispenser and Parts are determined as follows: -

2. Background of the valuation issue: Customs values of Hot & Cold Water Dispenser and Parts were earlier determined through Valuation Ruling No. 1262/2018 dated 20-02-2018. 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 Hot & Cold Water Dispenser and Parts was changed from Kilograms to Unit (Per Piece) for the purpose of assessment. Moreover, representations were received in this Directorate General that the values of subject goods need re-determination as existing VR was old. Keeping in view the above facts, an exercise has been carried out to determine the customs values of the subject goods under section 25A of the Customs Act 1969.

3. Stakeholders' participation in determination of values: Meeting with stakeholders was convened on 30-10-2019 which was attended by different stakeholders and importers. The participants were requested to submit following documents before or during the course of meeting 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.

5. Method adopted to determine Customs values: Custom Valuation methods given in Section 25 of the Customs Act, 1969 were applied in sequential order 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 requisite information under the law was not available. 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 variation and suppressed declarations, the same could not be relied upon. In the sequential order this office then resorted to conduct a market inquiry and, consequently, Deductive Value Method under Sub-Section (7) of Section 25 of the Customs Act, 1969, was applied to arrive at the assessable Customs values of the subject goods, being most appropriate for the purpose. All the information together was evaluated and analyzed for the purpose of determination of customs values.

6. **CUSTOMS VALUES FOR HOT & COLD WATER DISPENSER AND PARTS:** Hot & Cold Water Dispenser and Parts *hereinafter specified* shall be assessed to duty/ taxes on the Customs values given against them in the Table below: -

TABLE A (VALUES OF HOT & COLD WATER DISPENSER)

S. No	Description of goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/Unit
(1)	(2)	(3)	(4)	(5)	(6)
1	Water Dispenser (Hot & Cold) with Mini Refrigerator	8418.6939 8418.6939	8418.6939.1000	China/UAE/Hong Kong	82.5
2	Water Dispenser (Hot & Cold) without Mini Refrigerator		8418.6939.1100		60
3	Water Dispenser (Hot & Cold) with Mini Refrigerator		8418.6939.1200	Korea/ Singapore/ Malaysia	115
4	Water Dispenser (Hot & Cold) without Mini Refrigerator		8418.6939.1300		90



TABLE B (VALUES OF HOT & COLD WATER DISPENSER PARTS)

S. No	Description of goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/Unit
(1)	(2)	(3)	(4)	(5)	(6)
1	Compressor for Water Dispenser (a) weight up to 4/Kg (b) weight up to 5/Kg	84186939	8418.6939.1000	China	(a) 30/ unit (b) 35/Unit
2	Evaporator for Water Dispenser	8418.9910	8418.9910.1000		7.0 /kg
3	Wire Condenser for water Dispenser	8418.9920	8418.9920.1000		6.5/kg
4	Top cover assembly, refrigerator door assembly, Hot tank Assembly, of cold Water Dispenser	8418.9990	8418.9990.1000		4.0/kg

7. In cases where declared/ Transaction values are higher than the Customs value determined in this Ruling, the assessing officer shall apply those values in terms of Sub-Section (1) of Section 25 read with first proviso of sub-section (2) of section 25A of the Customs Act, 1969. 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 value 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) read with sub-section (4) of Section 25-A of the Customs Act, 1969.

9. **Review of the value determined vide this Valuation Ruling:** A review petition may be filed against this Ruling, as provided under Section 25-D of t 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 the Ruling for the given description of goods are applied by the concerned staff without fail. PCT/HS Codes are mentioned for illustrative purposes only and assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification required thereon. Any anomaly observed with respect to PCT classification may kindly be brought to the notice of this Directorate General immediately.

11. ***This ruling supersedes Valuation Ruling No. 1262/2018 dated 20-02-2018***


(Shafique Ahmed 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 (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, Post Clearance Audit (PCA) & Internal Audit, Karachi.
10. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar/ Faisalabad.
13. The Director, Directorate General of Customs Valuation Custom House, 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.