



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

Determination of Customs Values of Tractor Parts under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1424 /2019)

No.Misc/25/2008-VIIIA (Part-3)

Dated: 05-11-2019

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

2. **Background of the Valuation Issue:** Earlier the Customs values of Tractor Parts were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1016-A/2017 dated 23-01-2017. Being aggrieved by this Valuation Ruling, revision petitions under Section 25D of the Customs Act, 1969, were filed by various importers/traders. The Director General of Customs Valuation, Karachi re-determined the Customs values vide Order-in-Revision No.311/2017 dt.24-02-2017. 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 Valuation Ruling for the 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 08-10-2019 and 15-10-2019. 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:

- Invoices of imports during last three months showing customs value.
- Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- Copies of Contracts made / LCs opened during last three months showing the value of item in question.
- 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 tractor parts. The parts manufacturers contended that the values of tractor parts had significantly increased in the international market and, therefore, the same may be determined accordingly. M/s PAPAAM also expressed their concerns on import values of Tractor. 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 tractor parts are affected. It was thus, requested that all such these 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. However, M/s PAPAAM and PASPIDA submitted their proposals for consideration. 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 capacity of tractors' engine i.e. Horse powers (HP) should be kept in mind while re-determining the Customs values of the parts of the Tractors. 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 the meetings submitted documentary evidences to prove that their declared value was true transactional value except M/s PASPIDA and PAPAAM who submitted their proposals regarding re-determination of Customs values of tractor parts. 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 Tractor Parts.

6. **Customs values for Tractor Parts:** Tractor Parts *hereinafter specified* shall be assessed to duty / taxes at the following minimum Customs values.

S.No.	Description of goods	PCT Code	Proposed PCT for WeBOC	Custom Value (C&F) US\$		
				China	Turkey	Other Origins
1	Piston Set	8409.9910	8409.9910.1000	2.70/Kg	2.84/Kg	2.98/Kg
2	Ring Set	8409.9910	8409.9910.1100	6.05/Kg	6.35/Kg	6.67/Kg
3	Cylinder Blocks	8409.9910	8409.9910.1200	1.32/Kg	1.37/Kg	1.46/Kg

4	Cylinder Heads	8409.9910	8409.9910.1300	1.43/Kg	1.50/Kg	1.58/Kg
5	Cylinder Liners	8409.9910	8409.9910.1400	1.94/Kg	2.04/Kg	2.14/Kg
6	Inlet & Exhaust Valves	8409.9920	8409.9920.1000	2.20/Kg	2.31/Kg	2.43/Kg
7	Connecting Rods & Caps	8409.9920	8409.9920.1100	2.20/Kg	2.31/Kg	2.43/Kg
8	Tappets, Push Rods & Rocker Arm	8409.9920	8409.9920.1200	2.75/Kg	2.89/Kg	3.03/Kg
9	Rear End Housing (Differential Housing)	8409.9920	8409.9920.1300	1.87/Kg	1.96/Kg	2.06/Kg
10	Fuel Lift Pump	8413.3020	8413.3020.1000			
	(i) Upto 60 Hp					
	(a) Massey			0.97/Pc	1.02/Pc	1.07/Pc
	(b) Fiat			1.12/Pc	1.18/Pc	1.24/Pc
	(c) Others			1.40/Pc	1.47/Pc	1.54/Pc
	(ii) Upto 85 Hp					
	(a) Massey			1.12/Pc	1.18/Pc	1.23/Pc
	(b) Fiat			1.14/Pc	1.20/Pc	1.26/Pc
	(c) Others			1.60/Pc	1.68/Pc	1.76/Pc
	(iii) Above 85 Hp			2.80/Pc	2.94/Pc	3.09/Pc
11	Fuel Injection Pump	8413.3020	8413.3020.1000			
	(i) Upto 60 Hp					
	(a) Massey			22.00/Pc	23.10/Pc	24.26/Pc
	(b) Fiat			22.80/Pc	23.94/Pc	25.14/Pc
	(c) Others			24.00/Pc	25.20/Pc	26.46/Pc
	(ii) Upto 85 Hp					
	(a) Massey			23.20/Pc	24.36/Pc	25.58/Pc
	(b) Fiat			24.00/Pc	25.20/Pc	26.46/Pc
	(c) Others			26.00/Pc	27.30/Pc	28.67/Pc
	(iii) Above 85 Hp			32.00/Pc	33.60/Pc	35.28/Pc
12	Oil Pump	8413.3020	8413.3020.1100			
	(i) Upto 60 Hp					
	(a) Massey			4.60/Pc	4.83/Pc	5.07/Pc
	(b) Fiat			3.70/Pc	3.89/Pc	4.08/Pc
	(c) Others			5.00/Pc	5.25/Pc	5.51/Pc
	(ii) Upto 85 Hp					
	(a) Massey			6.00/Pc	6.30/Pc	6.62/Pc
	(b) Fiat			3.85/Pc	4.04/Pc	4.25/Pc
	(c) Others			7.80/Pc	8.19/Pc	8.60/Pc
	(iii) Above 85 Hp			9.50/Pc	9.98/Pc	10.47/Pc



13	Water Pump Assembly	8413.3020	8413.3020.1200			
	(i) Upto 60 Hp					
	(a) Massey			8.85/Pc	9.29/Pc	9.76/Pc
	(b) Fiat			9.71/Pc	10.20/Pc	10.71/Pc
	(c) Others			10.50/Pc	11.03/Pc	11.58/Pc
	(ii) Upto 85 Hp					
	(a) Massey			9.20/Pc	9.66/Pc	10.14/Pc
	(b) Fiat			9.80/Pc	10.29/Pc	10.81/Pc
	(c) Others			11.00/Pc	11.55/Pc	12.13/Pc
14	Main Shaft	8483.1011	8483.1011.1000	14.00/Pc	14.70/Pc	15.44/Pc
	(i) Upto 60 Hp					
	(a) Massey			7.29/Pc	7.66/Pc	8.04/Pc
	(b) Fiat			4.19/Pc	4.40/Pc	4.62/Pc
	(c) Others			8.00/Pc	8.40/Pc	8.82/Pc
	(ii) Upto 85 Hp					
	(a) Massey			8.00/Pc	8.40/Pc	8.82/Pc
	(b) Fiat			4.25/Pc	4.46/Pc	4.69/Pc
	(c) Others			9.00/Pc	9.45/Pc	9.92/Pc
15	Counter Shaft	8483.1011	8483.1011.1000	12.00/Pc	12.60/Pc	13.23/Pc
	(i) Upto 60 Hp					
	(a) Massey			5.67/Pc	5.95/Pc	6.25/Pc
	(b) Fiat			5.51/Pc	5.79/Pc	6.08/Pc
	(c) Others			5.74/Pc	6.03/Pc	6.33/Pc
	(ii) Upto 85 Hp					
	(a) Massey			5.70/Pc	5.99/Pc	6.28/Pc
	(b) Fiat			5.55/Pc	5.83/Pc	6.12/Pc
	(c) Others			6.00/Pc	6.30/Pc	6.62/Pc
16	Cam Shaft	8483.1011	8483.1011.1000	7.80/Pc	8.19/Pc	8.60/Pc
	(i) Upto 60 Hp					
	(a) Massey			7.07/Pc	7.42/Pc	7.80/Pc
	(b) Fiat			6.25/Pc	6.56/Pc	6.89/Pc
	(c) Others			8.00/Pc	8.40/Pc	8.82/Pc
	(ii) Upto 85 Hp					
	(a) Massey			8.27/Pc	8.68/Pc	9.12/Pc
	(b) Fiat			7.87/Pc	8.26/Pc	8.68/Pc
	(c) Others			9.00/Pc	9.45/Pc	9.92/Pc
	(iii) Above 85 Hp			13.00/Pc	13.65/Pc	14.33/Pc



17	Crown Wheel Pinion & Parts/Gear Set	8483.1011	8483.1011.1100			
	(i) Upto 60 Hp					
	(a) Massey			25.20/Pc	26.46/Pc	27.78/Pc
	(b) Fiat			12.92/Pc	13.57/Pc	14.24/Pc
	(c) Others			27.00/Pc	28.35/Pc	29.77/Pc
	(ii) Upto 85 Hp					
	(a) Massey			29.22/Pc	30.68/Pc	32.22/Pc
	(b) Fiat			13.20/Pc	13.86/Pc	14.55/Pc
	(c) Others			31.00/Pc	32.55/Pc	34.18/Pc
18	(iii) Above 85 Hp	8483.1019	8483.1019.1000	35.00/Pc	36.75/Pc	38.59/Pc
	Crank Shaft Assembly					
	(i) Upto 60 Hp					
	(a) Massey			32.86/Pc	34.50/Pc	36.23/Pc
	(b) Fiat			50.49/Pc	53.02/Pc	55.67/Pc
	(c) Others			51.00/Pc	53.55/Pc	56.23/Pc
	(ii) Upto 85 Hp					
	(a) Massey			50.50/Pc	53.03/Pc	55.67/Pc
	(b) Fiat			56.91/Pc	59.76/Pc	62.74/Pc
19	(c) Others	8484.1021	8484.1021.1000	59.00/Pc	59.85/Pc	62.84/Pc
	(iii) Above 85 Hp			65.00/Pc	68.25/Pc	71.66/Pc
	Head Gasket					
	(i) Upto 60 Hp					
	(a) Massey			0.22/Pc	0.23/Pc	0.24/Pc
	(b) Fiat			0.35/Pc	0.37/Pc	0.39/Pc
	(c) Others			0.50/Pc	0.53/Pc	0.56/Pc
	(ii) Upto 85 Hp					
	(a) Massey			0.43/Pc	0.45/Pc	0.47/Pc
20	(b) Fiat	8708.9310	8708.9310.1000	0.47/Pc	0.49/Pc	0.52/Pc
	(c) Others			0.60/Pc	0.63/Pc	0.66/Pc
	(iii) Above 85 Hp			1.10/Pc	1.16/Pc	1.22/Pc
	Clutch Plate 10"-12"					
	(i) Upto 60 Hp					
	(a) Massey			5.00/Pc	5.25/Pc	5.51/Pc
	(b) Fiat			3.14/Pc	3.30/Pc	3.46/Pc
	(c) Others			5.80/Pc	6.09/Pc	6.39/Pc
	(ii) Upto 85 Hp					
	(a) Massey			5.16/Pc	5.42/Pc	5.69/Pc
	(b) Fiat			3.27/Pc	3.43/Pc	3.61/Pc
	(c) Others			6.00/Pc	6.30/Pc	6.62/Pc
	(iii) Above 85 Hp			8.50/Pc	8.93/Pc	9.37/Pc



21	Spindle Bush	8483.3010	8483.3010.1000			
	(i) Upto 60 Hp					
	(a) Massey			0.09/Pc	0.095/Pc	0.10/Pc
	(b) Fiat			0.13/Pc	0.14/Pc	0.15/Pc
	(c) Others			0.15/Pc	0.16/Pc	0.17/Pc
	(ii) Upto 85 Hp					
	(a) Massey			0.22/Pc	0.23/Pc	0.24/Pc
	(b) Fiat			0.15/Pc	0.16/Pc	0.17/Pc
	(c) Others			0.18/Pc	0.19/Pc	0.20/Pc
	(iii) Above 85 Hp			0.50/Pc	0.53/Pc	0.55/Pc
22	Arm Bush	8483.3010	8483.3010.1000			
	(i) Upto 60 Hp					
	(a) Massey			0.35/Pc	0.37/Pc	0.39/Pc
	(b) Fiat			0.16/Pc	0.17/Pc	0.18/Pc
	(c) Others			0.38/Pc	0.40/Pc	0.42/Pc
	(ii) Upto 85 Hp					
	(a) Massey			0.36/Pc	0.38/Pc	0.40/Pc
	(b) Fiat			0.17/Pc	0.18/Pc	0.19/Pc
	(c) Others			0.40/Pc	0.42/Pc	0.44/Pc
	(iii) Above 85 Hp			0.75/Pc	0.79/Pc	0.83/Pc
23	Timing Gear	8483.1019	8483.1019.1000			
	(i) Upto 60 Hp					
	(a) Massey			5.80/Pc	6.09/Pc	6.39/Pc
	(b) Fiat			3.24/Pc	3.40/Pc	3.57/Pc
	(c) Others			6.00/Pc	6.30/Pc	6.62/Pc
	(ii) Upto 85 Hp					
	(a) Massey			6.00/Pc	6.30/Pc	6.62/Pc
	(b) Fiat			3.30/Pc	3.47/Pc	3.64/Pc
	(c) Others			6.80/Pc	7.14/Pc	7.50/Pc
	(iii) Above 85 Hp			8.50/Pc	8.93/Pc	9.37/Pc



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 all other Customs values determined/notified earlier including Valuation Ruling No.1016-A/2017 dated 23-01-2017.


(Shafique Ahmad Latki)
Director

Copy for information to: -

- 1) The Member (Customs Operations), FBR, Islamabad.
- 2) The Director General, Directorate General of Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, South (Appraisement), 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
- 14) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 15) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 16) 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.