



GOVERNMENT OF PAKISTAN

DIRECTORATE GENERAL OF CUSTOMS VALUATION

CUSTOM HOUSE, KARACHI

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**The Collector of Customs,** Model Customs Collectorates, Appraisement and Facilitation (East / West) / Port Qasim / Enforcement and Compliance, JIAP, Karachi / (Appraisement and Facilitation / Enforcement and Compliance), AIIA Lahore / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Appraisement and Facilitation Peshawar / Gwadar / Gilgit-Baltistan / Exports (Karachi / Port Qasim) / Transit Trade (Karachi).

**DETERMINATION OF CUSTOMS VALUES OF CAM SHAFT, CRANK SHAFT, SPARK PLUGS, LAMP LIGHT LENSES, SEALED BEAM AND RUBBER PARTS (REPLACEMENT AUTO PARTS) UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969.**

**(VALUATION RULING NO 1470 /2020)**

No. Misc/22/2019-VIII-A/Part-1 (A)/5124.

Dated: 11-09-2020

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

2. **Background of the valuation issue:** Consequent upon issuance of CGO No. 15/2019 dated 13-09-2019, Unit of Measurements (UoMs) of number of Replacement Auto Parts were changed from Kilogram to per unit and accordingly, the Valuation Ruling No. 1401/2019 dated 30<sup>th</sup> October 2019 was revamped to bring the items falling therein in line with the new UoMs. However, the importers filed review petitions before the Director General Customs Valuation who, vide Order-in-Revision No. 02/2020, dated 7<sup>th</sup> January 2020 remanded the same back with the guidelines to remove certain anomalies pointed out by the representatives of petitioners. Thus, an exercise was initiated in this Directorate General to re-determine value of Replacement Auto Parts in the light of directions given in the aforementioned Order-in-Revision.

3. **Stakeholders' participation in determination of Customs values:** Meeting with all stakeholders, trade bodies including representatives of clearance Collectorates was held in this Directorate General on 23-06-2020. The importers/stakeholders were requested to submit their proposals/suggestions as well as following documents before or during the course of stakeholders' meeting so that Customs values could be determined:

- i. Copies of invoices of imports (including GDs, ER, PL, BL, & all related imported documents each GD-wise) during last one year (Prior to VR 1448/2020 dated 02-06-2020) showing factual 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 one year (Prior to VR 1448/2020 dated 02-06-2020) showing the value of item in question, each GD-wise.
- iv. Copies of Sales Tax Invoices issued during last one year (Prior to VR 1448/2020 dated 02-06-2020) showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers, each GD-wise.
- v. Latest price catalogue issued from manufacturer.
- vi. Manufacturer's discount schedule if any.
- vii. Copies of export GDs of manufacturer.

4. During the meeting, it was observed that local manufacturer 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 value of spark plugs, lamp light lenses and rubber parts. On the other hand, the importers challenged the manufacturers' point of view and submitted that factors like decreasing trend in raw materials prices, manufacturing cost, technological advancement, magnitude of import, and after sale demand etc., affect the import value of replacement auto parts. It was thus, requested that all these factors may be taken into consideration while determining values of subject goods. M/S PASPIDA also highlighted the same issue as stated above. The participants of the meeting mostly agreed that at the time of revamping the UoM, the values of most items were properly determined except few anomalies while categorizing the items. The view point of all the participants was heard in detail and considered to arrive at Customs Values of subject goods.

5. **Methods 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 value 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 variations of values displayed in import data. Moreover, no participant of the meeting submitted documentary evidences to prove that their declared value was true transactional value. Hence, requisite information under law was not available to arrive at correct transaction value. Therefore, Identical/similar goods value methods provided in Sections 25 (5) & (6) ibid were examined for applicability to determine customs values in the instant case. The data provided some references; however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidence of qualities and quantities of commercial level etc. Information available hence found inappropriate. In line



with statutory sequential order of section 25, this office conducted numbers of market 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 the section 25 of the Customs Act, 1969 to determine Customs value of Replacement Auto Parts.

6. Customs Values of cam shaft, crank shaft, spark plugs, lamp light lenses, sealed beam and rubber parts (replacement auto parts) herein shall be assessed to duty/taxes at minimum customs values as per attached Annexure at Sr. No. 1 to 10 & total 3 pages.

7. In cases where declared/transaction values are higher than the Customs values determined in this Ruling or higher evidential data is available of stipulated period 90 days, 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 consignment imported by air, the assessing officer shall take into account the difference between air freight and sea freight while applying the Customs values determined in this Ruling.

8. **Validity of Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs values 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:** A revision petition may be filed against this Ruling, as provided under Section 25-D of the Customs Act, 1969, within 30 days from the date of issue, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in this Valuation 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. Customs values determined in the ruling are for the description and specification as mentioned in the above table of this Ruling. HS Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification 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 15 of the Customs Act, 1969 or any other law in vogue therein.

11. *This Valuation Ruling supersedes Valuation Ruling No.1401/2019 dated 30-10-2019.*

  
(Shafique Ahmad Latki)  
Director

Copy for information to: -

- 1) The Member Customs (Policy/Operations), F.B.R., Islamabad.
- 2) The Director General, 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, PCA& Internal Audit, Karachi.
- 10) The Director General, IOCO, Karachi
- 11) The Director General, Transit Trade, Custom House Karachi
- 12) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 13) The Director, Transit Trade, Custom House Karachi
- 14) The Director, Directorate of Customs Valuation, Lahore.
- 15) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
- 16) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 17) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 18) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 19) The Webmaster, Federal Board of Revenue, Islamabad.
- 20) Guard File.



S.No	Description	Category	PCT Code	Proposed PCT for WeBoc	Custom Value (C & F) US\$/PC				
					China	Malaysia, Thailand, Indonesia, Korea & Taiwan	Japan	Europe	Other Origin
1	i) Three Cylinders				6.20	7.32	8.79	10.56	7.32
	ii) Four Cylinders	8483.1019	8483.1019.1000	7.79 (Assess not below 3.07/kg)	9.20 (Assess not below 3.61/kg)	11.09 (Assess not below 5.25/kg)	11.33 (Assess not below 5.29/kg)	9.20 (Assess not below 3.61/kg)	
	iii) Six Cylinders & above			12.10 (Assess not below 2.83/kg)	14.16 (Assess not below 3.36/kg)	17.70 (Assess not below 4.43/kg)	21.24 (Assess not below 4.72/kg)	14.16 (Assess not below 3.36/kg)	
2	i) Three Cylinders				14.51	17.41	20.95	25.02	17.41
	ii) Four Cylinders	8483.1019	8483.1019.1000	18.17 (Assess not below 3.07/kg)	21.77 (Assess not below 3.61/kg)	26.14 (Assess not below 5.25/kg)	31.27 (Assess not below 5.29/kg)	21.77 (Assess not below 3.61/kg)	
	iii) Six Cylinders & above			27.32 (Assess not below 2.83/kg)	32.45 (Assess not below 3.36/kg)	41.24 (Assess not below 4.43/kg)	49.5 (Assess not below 4.72/kg)	32.45 (Assess not below 3.36/kg)	
3	Spark Plugs		8511.1000	8511.1000.1000	4.23	4.28	5.50	6.56	4.28
					0.36	0.41	0.52	0.82	0.41
4	Lamp/ Light Lenses a) Single b) Double	a) weighing upto 250 grams			0.52	0.57	0.63	0.68	0.57
		b) weighing upto 250 grams			0.67	0.74	0.81	0.90	0.74
		a) weighing from 251 Grams to 500 Grams			0.89	0.98	1.06	1.17	0.98
		b) weighing from 251 grams to 500 Grams	8512.2010	8512.2010.1000	1.15	1.26	1.39	1.53	1.26
		a) weighing From 501 grams to 1 kg	8512.2020	8512.2020.1000	1.30	1.43	1.57	1.72	1.43
		b) weighing From 501 grams to 1 kg	8512.2090	8512.2090.1000	1.56	1.71	1.89	2.07	1.71
5	Sealed Beam	a) weighing From 1 Kg to 1.5 Kgs			2.60	2.86	3.14	3.46	2.86
		b) weighing From 1 Kg to 1.5 Kgs			3.89	4.28	4.71	5.18	4.28
		a) Weighing above 1.5 Kgs			7.79	8.57	9.43	10.25	8.57
		b) Weighing above 1.5 Kgs			11.68	12.85	14.23	15.58	12.85
		i) 5 inch round			0.64	0.73	0.80	0.92	0.73
		ii) 5 inch square			0.74	0.80	0.92	1.06	0.80
		iii) 7 inch round	8539.1000	8539.1000.1000	0.78	0.90	1.01	1.18	0.90
		iv) 7 inch Square			0.85	0.98	1.12	1.29	0.98

Contd - 9/2



Rubber Parts:										
6	Radiator Hose (HTV/LTV)	i) weighing Upto 50 Grams	4009.11110	4009.11110.1000	0.15	0.18	0.24	0.26	0.18	0.18
		ii) weighing from 51 Grams to 100 Grams	4009.11120	4009.11120.1000	0.30	0.36	0.48	0.52	0.36	0.36
		iii) weighing From 101 Grams to 175 Grams	4009.11130	4009.11130.1000	0.53	0.63	0.85	0.92	0.63	0.63
		iv) weighing From 176 Grams to 250 Grams	4009.21110	4009.21110.1000	0.76	0.89	1.21	1.31	0.89	0.89
		v) weighing From 251 Grams to 350 Grams	4009.2120	4009.2120.1000	1.06	1.25	1.69	1.82	1.25	1.25
		vi) weighing From 351 Grams to 500 Grams	4009.2130	4009.2130.1000	1.51	1.79	2.41	2.60	1.79	1.79
		vii) weighing From 501 Grams to 750 Grams	4009.31110	4009.31110.1000	2.27	2.68	3.62	3.91	2.68	2.68
		viii) weighing From 751 Grams to 1 kg	4009.3120	4009.3120.1000	3.03	3.58	4.83	5.22	3.58	3.58
		ix) weighing From 1.1 kgs to 1.5 kgs	4009.3130	4009.3130.1000	4.11	4.85	6.55	7.07	4.85	4.85
		x) weighing From 1.6 KGs to 2 kg	4009.4110	4009.4110.1000	5.48	6.47	8.74	9.43	6.47	6.47
		xi) weighing Above 2kg	4009.4120	4009.4120.1000	6.86	8.09	10.93	11.80	8.09	8.09
7	Mounting (HTV/LTV)	i) weighing Upto 100 grams	4009.4130	4009.4130.1000	0.30	0.36	0.48	0.52	0.36	0.36
		ii) weighing from 101 grams to 175grams			0.53	0.63	0.84	0.92	0.63	0.63
		iii) weighing from 176 grams to 250grams			0.76	0.90	1.21	1.31	0.90	0.90
		iv) weighing from 251 grams to 350 grams	4009.2130	4009.2130.1000	1.06	1.25	1.69	1.82	1.25	1.25
		v) weighing from 351 grams to 500 grams	4009.3130	4009.3130.1000	1.51	1.79	2.41	2.61	1.79	1.79
		vi) weighing from 501 grams to 750 grams	4009.4130	4009.4130.1000	2.27	2.68	3.62	3.91	2.68	2.68
		vii) weighing from 751 grams to 1kg	4016.9920	4016.9920.1000	3.03	3.57	4.83	5.21	3.57	3.57
		viii) weighing from 1.1 kgs to 1.5kgs	4016.9940	4016.9940.1000	4.11	4.86	6.55	7.08	4.86	4.86
		ix) weighing from 1.51 kgs to 2 kgs			5.49	6.48	8.74	9.43	6.48	6.48
		x) weighing from 2.1 kgs to 3 kgs			6.85	8.09	10.92	11.79	8.09	8.09
		i) weighing Upto 100 grams			0.30	0.36	0.48	0.52	0.36	0.36
8	Weatherstrip (HTV/LTV)	ii) weighing from 101 grams to 175grams			0.53	0.63	0.84	0.91	0.63	0.63
		iii) weighing from 176 grams to 250grams			0.76	0.89	1.21	1.31	0.89	0.89
		iv) weighing from 251 grams to 350 grams	4008.11110	4008.11110.1000	1.06	1.25	1.69	1.82	1.25	1.25
		v) weighing from 351 grams to 500 grams	4008.1910	4008.1910.1000	1.51	1.79	2.41	2.60	1.79	1.79
		vi) weighing from 501 grams to 750 grams	4008.2110	4008.2110.1000	2.27	2.68	3.62	3.91	2.68	2.68
		vii) weighing from 751 grams to 1kg	4008.2910	4008.2910.1000	3.03	3.57	4.83	5.21	3.57	3.57
		viii) weighing from 1.1 kgs to 1.5kgs			4.11	4.85	6.55	7.08	4.85	4.85
		ix) weighing from 1.51 kgs to 2 kgs			5.49	6.47	8.74	9.44	6.47	6.47
		x) weighing above 2 Kgs			6.86	8.09	10.92	11.80	8.09	8.09
		i) Weighing upto 02 Grams			0.006	0.007	0.010	0.010	0.007	0.007
		ii) weighing from 2.1 grams to 05 grams			0.014	0.016	0.024	0.024	0.016	0.016
9	Rubber Oil Seal (HTV/LTV)	iii) weighing from 06 grams to 10 grams			0.028	0.032	0.048	0.048	0.032	0.032
		iv) weighing from 11 grams to 15 grams	4009.2130	4009.2130.1000	0.042	0.052	0.072	0.076	0.052	0.052
		v) weighing from 16 grams to 20 grams	4009.3130	4009.3130.1000	0.056	0.070	0.097	0.102	0.070	0.070
		vi) weighing from 21 grams to 30 grams	4009.4130	4009.4130.1000	0.084	0.107	0.145	0.156	0.107	0.107
		vii) weighing from 31 grams to 45 grams	4016.9920	4016.9920.1000	0.127	0.161	0.217	0.233	0.161	0.161
		viii) weighing from 46 grams to 60 Grams	4016.9940	4016.9940.1000	0.153	0.192	0.262	0.279	0.192	0.192
		ix) weighing from 61 grams to 80 grams			0.204	0.256	0.349	0.372	0.256	0.256

8/10/20

8/10/20

11/9/20

10	Other Rubber Parts (HTV/LTV)	ix) weighing from 81 grams to 150 grams			0.382	0.483	0.655	0.704	0.483
		i) Weighing 50 grams			0.152	0.179	0.241	0.259	0.179
		ii) Weighing From 51 Grams to 100 Grams			0.304	0.358	0.483	0.518	0.358
		iii) Weighing From 101 Grams to 250 Grams	4016.9940		0.760	0.894	1.207	1.296	0.894
		iv) Weighing From 251 Grams to 500 Grams	8708.9990		1.514	1.790	2.414	2.601	1.790
		v) Weighing From 501 Grams to 1 Kg			3.028	3.571	4.827	5.210	3.571
		vi) Weighing From 1.1 Kg to 2 Kgs			5.485	6.469	8.736	9.438	6.469
		vii) Weighing Above 2 Kgs			8.228	9.710	13.104	14.157	9.710

Note: S.No 10 (Other Rubber Parts (HTV/LTV) , Clearance Collectorates may assess the goods weighing less than 50 grams on pro-rata basis.

8/20/11  
11/7/13