



GOVERNMENT OF PAKISTAN

DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI

The Collector of Customs, Model Customs Collectorate, 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 TRACTOR PARTS UNDER
SECTION 25-A OF THE CUSTOMS ACT, 1969.**

(VALUATION RULING NO 1507/2021)

No.Misc/25/2008/-VIII/(Part-4)/

104

Dated: 04 -01-2021

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

2. **Background of the valuation issue:** Earlier the custom value of Tractor parts were determined under section 25A of the Customs Act, 1969 vide Valuation Ruling 1424/2019 dated 05.11.2019. Subsequently, an addendum/ corrigendum was issued vide dated 13.11.2019, wherein values of items failing at serial No.1 to 9 were determined. Being aggrieved by this valuation ruling, revision petition was filed by various importers/ traders under section 25D of the Customs Act, 1969 before Director General of Customs Valuation. The competent authority vide Order-in-Revision No. 37/2020 dated 12.11.2020 upheld the ruling and ordered that since the valuation ruling was 01 year old, the Director of Customs Valuation may issue a fresh ruling in accordance with laid down procedures. The Directorate General of Customs Valuation, Karachi, was tasked by FBR to identify the items / goods where variations w.r.t. values in exporting countries viz-a-viz import values in Pakistan were observed and where Valuation Ruling already exists. Accordingly, a special team was constituted in Directorate General of Customs Valuation, Karachi, which identified the subject items where vast variations in declarations/ specifications were observed. Accordingly, an exercise was initiated to re-determine the customs values of **Tractor Parts** under Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meeting with all stakeholders, trade bodies including representatives of clearance Collectorate were

held in this Directorate General on 09-11-2020. 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. Invoices of import during last three months showing factual values
- 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 that the benefit of difference in price is passed on to the local buyers.

4. The meeting was attended by importers and stakeholders and their point of view were heard in detail to arrive at custom values of subject goods. The stakeholders claimed that their declared values were true transactional values and may be accepted as such. The stakeholders also submitted their proposal regarding values of tractor parts but failed to substantiate said values with documentary evidences.

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 because no substantial documents were provided by the stakeholders to prove that their declared values were true transactional values. Moreover, different values were declared by different importers for the same product according to different origins/specifications. Identical/similar goods value methods provided in Sections 25 (5) & (6) *ibid* were examined for applicability to determine customs values of subject goods. The data provided some references; but due to wide variations in declarations; varieties and specifications, the same could not be relied upon exclusively. In line with statutory sequential order of section 25, this office conducted various market inquiries 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 custom values of Tractor Parts.



6. Customs values for Tractor Parts -hereinafter specified shall be assessed to duty/taxes on the following minimum customs values given against them in the Table below:-

S.No.	Description of goods		PCT Code	Proposed PCT for WeBOC	Custom Value C&F in US\$ per piece (with essential packing)			The overall assessed value of items should not be less than prices mentioned in this column US\$/Kg (with essential packing)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Type			China	Turkey	Other Origin	All Origins
1	Piston with Pin and Circlip (Single Cylinder)	3 Cylinder	8409.9910	8409.9910.1000	4.10	4.31	4.52	3.38
		4 Cylinder						
		Belarus (4 Cylinder)			5.33	5.60	5.88	
2	Piston without Pin and Circlip (Single Cylinder)	3 Cylinder	8409.9910	8409.9910.1100	3.49	3.66	3.84	3.38
		4 Cylinder						
		Belarus (4 Cylinder)			4.53	4.76	4.99	
3	Ring Set (Single Cylinder)	3 Cylinder	8409.9910	8409.9910.1200	3.77	3.96	4.16	10.19
		4 Cylinder						
		Belarus (4 Cylinder)			4.90	5.15	5.40	
4	Cylinder/Engine Block	3 Cylinder	8409.9910	8409.9910.1300	130.00	136.50	143.33	1.67
		4 Cylinder			181.00	190.05	199.55	
		Belarus (4 Cylinder)			235.30	247.07	259.42	

5	Cylinder Head	3 Cylinder	8409.9910	8409.9910.1400	42.00	44.10	46.31	1.83
		4 Cylinder			59.00	61.95	65.05	
		Belarus (4 Cylinder)			76.70	80.54	84.56	
6	Cylinder Liner / Sleeves per piece (Single Cylinder)	3 Cylinder	8409.9910	8409.9910.1500	8.44	8.86	9.31	7.89
		4 Cylinder			10.97	11.52	12.10	2.14
		Belarus (4 Cylinder)						
7	Inlet & Exhaust Valve Set (6 Pieces)	3 Cylinder	8409.9920	8409.9920.1000	3.12	3.28	3.44	4.22
		4 Cylinder			4.06	4.26	4.47	
		Belarus (4 Cylinder)			5.27	5.54	5.81	
8	Inlet & Exhaust Valve Se (8 Pieces)	3 Cylinder	8409.9920	8409.9920.1100	4.16	4.37	4.59	4.22
		4 Cylinder			5.41	5.68	5.96	
		Belarus (4 Cylinder)			7.03	7.38	7.75	
9	Connecting Rod & Cap	3 Cylinder	8409.9920	8409.9920.1200	4.88	5.13	5.38	2.75
		4 Cylinder			6.35	6.67	7.00	
		Belarus (4 Cylinder)			8.25	8.67	9.10	
10	(a) Tappet	3 Cylinder	8409.9920	8409.9920.1300	6.00	6.30	6.62	3.44
		4 Cylinder			7.80	8.19	8.60	
		Belarus Belarus (4 Cylinder)			10.14	10.65	11.18	
	(b) Push Rod	3 Cylinder	8409.9920	8409.9920.1400	2.07	2.17	2.28	3.44
		4 Cylinder			2.69	2.83	2.97	
		Belarus (4 Cylinder)			3.50	3.67	3.86	

	(c) Rocker Arm	3 Cylinder	8409.9920	8409.9920.1500	1.80	1.89	1.98	3.44
		4 Cylinder			2.34	2.46	2.58	
		Belarus (4 Cylinder)			3.04	3.19	3.35	
11	Rear End Housing (Differential Housing)	3 Cylinder	8409.9920	8409.9920.1600	242.00	254.10	266.81	2.34
		4 Cylinder			314.60	330.33	346.85	
		Belarus (4 Cylinder)			408.98	429.43	450.90	
12	Fuel Pump/ Fuel Lift Pump	3 Cylinder	8413.3020	8413.3020.1000	2.73	2.87	3.01	12.33
		4 Cylinder			3.55	3.73	3.91	
		Belarus (4 Cylinder)			4.61	4.84	5.09	
13	Fuel Injection Pump	3 Cylinder	8413.3020	8413.3020.1100	102.70	107.84	113.23	16.56
		4 Cylinder			133.51	140.19	147.19	
		Belarus (4 Cylinder)			173.56	182.24	191.35	
14	Oil Pump	3 Cylinder	8413.3020	8413.3020.1200	6.73	7.07	7.42	8.31
		4 Cylinder			8.75	9.19	9.65	
		Belarus (4 Cylinder)			11.37	11.94	12.54	
15	Water Pump Assembly	3 Cylinder	8413.3020	8413.3020.1300	11.75	12.34	12.95	2.56
		4 Cylinder			15.28	16.04	16.84	
		Belarus (4 Cylinder)			19.86	20.85	21.89	

	(c) Rocker Arm	3 Cylinder	8409.9920	8409.9920.1500	1.80	1.89	1.98	3.44
		4 Cylinder			2.34	2.46	2.58	
		Belarus (4 Cylinder)			3.04	3.19	3.35	
11	Rear End Housing (Differential Housing)	3 Cylinder	8409.9920	8409.9920.1600	242.00	254.10	266.81	2.34
		4 Cylinder			314.60	330.33	346.85	
		Belarus (4 Cylinder)			408.98	429.43	450.90	
12	Fuel Pump/ Fuel Lift Pump	3 Cylinder	8413.3020	8413.3020.1000	2.73	2.87	3.01	12.33
		4 Cylinder			3.55	3.73	3.91	
		Belarus (4 Cylinder)			4.61	4.84	5.09	
13	Fuel Injection Pump	3 Cylinder	8413.3020	8413.3020.1100	102.70	107.84	113.23	16.56
		4 Cylinder			133.51	140.19	147.19	
		Belarus (4 Cylinder)			173.56	182.24	191.35	
14	Oil Pump	3 Cylinder	8413.3020	8413.3020.1200	6.73	7.07	7.42	8.31
		4 Cylinder			8.75	9.19	9.65	
		Belarus (4 Cylinder)			11.37	11.94	12.54	
15	Water Pump Assembly	3 Cylinder	8413.3020	8413.3020.1300	11.75	12.34	12.95	2.56
		4 Cylinder			15.28	16.04	16.84	
		Belarus (4 Cylinder)			19.86	20.85	21.89	

16	Main Shaft	3 Cylinder	8483.1011	8483.1011.1000	8.02	8.42	8.84	2.79
		4 Cylinder			10.43	10.95	11.49	
		Belarus (4 Cylinder)			13.55	14.23	14.94	
17	Counter Shaft	3 Cylinder	8483.1011	8483.1011.1100	10.27	10.78	11.32	4.19
		4 Cylinder			13.35	14.02	14.72	
		Belarus (4 Cylinder)			17.36	18.22	19.14	
18	Cam Shaft	3 Cylinder	8483.1011	8483.1011.1200	9.7	10.19	10.69	2.38
		4 Cylinder			12.61	13.24	13.90	
		Belarus (4 Cylinder)			16.39	17.21	18.07	
19	Crown Wheel & Pinion	3 Cylinder	8483.1011	8483.1011.1300	27.72	29.11	30.56	3.21
		4 Cylinder			36.04	37.84	39.73	
		Belarus (4 Cylinder)			46.85	49.19	51.65	
20	Crank Shaft Assembly	3 Cylinder	8483.1019	8483.1019.1000	53.63	56.31	59.13	2.16
		4 Cylinder			69.72	73.20	76.87	
		Belarus (4 Cylinder)			90.63	95.17	99.92	
21	Head Gasket per piece	3 Cylinder	8484.1021	8484.1021.1000	1.16	1.22	1.28	8.21
		4 Cylinder			1.51	1.58	1.66	
		Belarus (4 Cylinder)			1.96	2.06	2.16	

22	Clutch Plate 10"-12"	3 Cylinder	8708.9310	8708.9310.1000	6.85	7.19	7.55	8.45
		4 Cylinder			8.91	9.35	9.82	
		Belarus (4 Cylinder)			11.58	12.16	12.76	
23	Spindle Bush	3 Cylinder	8483.3010	8483.3010.1000	0.15	0.16	0.17	3.59
		4 Cylinder			0.22	0.23	0.24	
		Belarus (4 Cylinder)			0.29	0.30	0.32	
24	Arm Bush	3 Cylinder	8483.3010	8483.3010.1100	0.36	0.38	0.40	4.16
		4 Cylinder			0.47	0.49	0.52	
		Belarus (4 Cylinder)			0.61	0.64	0.67	
25	Timing Gear	3 Cylinder	8483.1019	8483.1019.1100	6.47	6.79	7.13	7.70
		4 Cylinder			8.41	8.83	9.27	
		Belarus (4 Cylinder)			10.93	11.48	12.06	

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, 7th 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 ruling supersedes Valuation Ruling No. 1424/2019 dated 05-11-2019 and Addendum/Corrigendum issued dated 13-11-2019.*


(Shafique Ahmad Latifi)
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 (Appraisalment), 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.