



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI

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

DETERMINATION OF CUSTOMS VALUES TYRES & TUBES- IV (BICYCLE, MOTORCYCLE, SCOOTER & RIKSHAW ETC.) UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO 1546 /2021)

C. No.Misc/08/2005-III/561.

Dated 03 -08-2021

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the custom values of Tyres & Tubes of Bicycle, Motorcycle, Scooter and Rikshaw are determined as follows:

2. **Background of the valuation issue:** Earlier the customs values of tyres & tubes of different types and sizes including those of Bicycle, Motorcycle, Scooter and Rikshaw were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.1321/2018 dated 30-08-2018. However, different stakeholders requested to re-determine customs values afresh in line with values prevalent in the international market. Therefore, an exercise was initiated in terms of Section 25-A of the Customs Act, 1969 to determine the customs values of subject goods in light of existing international market prices.

3. **Stakeholders' participation in determination of Customs values:** Meeting with all stakeholders, trade bodies including representatives of clearance Collectorates were held in this Directorate General on 22-04-2021. 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 points of view were heard in detail to arrive at custom values of subject goods. During the meeting M/s Pakistan Tyre Importers and Dealers Association (PTIDA) informed that international market has showed a mixed trend of prices over the period of time and submitted their proposed prices accordingly, but no supportive documents were submitted in this regard. While the M/s The General Tyre and Rubber Company of Pakistan Ltd. was stressing the point of view that due to rise in prices of rubber in international market, prices for tyre and tubes have also increased.

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 same product according to different origins. 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; 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 market inquiries using deductive value methods under sub-section (7) of Section 25 of the Customs Act, 1969, wide ranges of prices were observed for some items depends upon variety/quality/count etc. and location of market. Hence this method of valuation could not be relied upon due to aforesaid reasons. Therefore, valuation method vide Section 25(8) of the Customs Act, 1969, was examined for valuation but the same also could not be applied due to non availability of conversion and processing cost of exporting country. Finally, clearance data, market information, proposal from importers and international prices through internet were examined thoroughly and the information so gathered were utilized and analyzed for determination of Custom Values of Tyres & Tubes of Bicycle, Motorcycle, Scooter and Rikshaw under Section 25(9) of the Customs Act, 1969.



6. **Customs values for Tyres and Tubes-III (Bicycle, Motorcycle, Scooter and Rikshaw)- hereinafter specified**, shall be assessed to duty / taxes on the Customs Values as mentioned at **Annexure-A & B**, which form integral part of this Valuation Ruling along with following conditions:

- i) *Where only tubes are imported, other than specified sizes of two and three wheeler vehicle tyres, such tubes shall be assessed at 15% of the value of tyre if imported separately.*
- ii) *Values of the tyres with different "ply" shall be assessed by adding or subtracting from the determined value @ 3% per two ply rating.*
- iii) *Discount of 5% is admissible for import of tyres and tubes through land route on C&F value determined by this Directorate General.*
- iv) *If tyres and tubes having specifications other than those mentioned in the valuation ruling are imported, the Collectorates may assess the goods under Section 25-A of the Customs Act, 1969 or may refer a case to this Directorate General for suitable advice.*

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 (4) of Section 25-A of the Customs Act, 1969.

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 the Valuation Ruling No. 1321/2018 dated 30.08.2018


(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 (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.
- 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.

