



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collector of Customs, Collectorate of Customs Appraisement -West / Appraisement -East / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP, Karachi /Hyderabad / (Appraisement / Enforcement),Quetta / Gawadar / (Appraisement / Enforcement / AIIA), Lahore / Appraisement, Faisalabad / Appraisement, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisement / Enforcement),Peshawar / Enforcement, Dera Ismail Khan.

DETERMINATION OF CUSTOMS VALUES OF DRY BATTERY CELLS
PCT(8506.1000) UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO.1561 / 2021)

C. No. Misc/12/2013-VII/ 907

Dated: 08-11-2021

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Dry Battery Cells under PCT 8506.1000 are determined as follows:

2- **Background of the valuation issue:** Earlier the Customs values of Dry Battery Cells under PCT 8506.1000 were determined under section 25A of the Customs Act, 1969 vide Valuation Ruling No. 1514/2021 dated 09-02-2021. Revision petition was filed before the Director General of Customs Valuation under section 25D of the Customs Act, 1969 which was rejected vide Order-In-Revision No. 17/2021 dated 31-05-2021 in the following terms: *may however choose to apply to Director Valuation in future for re-determination of values of Dry Battery Cells by the presenting concrete evidence of change in prices of goods in the country of export by supported by objective verifiable data/ information to prove their claims.* The Order-In-Revision was challenged before the Honorable Customs Appellate Tribunal by few petitioners and the case is still pending. Additionally, several representations were also received for re-determination of customs values of Dry Battery Cells. Therefore, this Directorate conducted a fresh exercise for the determination of Customs Values of the subject goods in terms of Section 25A of the Customs Act, 1969.

3- **Stakeholders' participation in determination of values:** Meetings were held on 07-07-2021 and 14-09-2021 and attended by different stakeholders. 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.

During the meetings, stakeholders were of the view that the values of the subject goods in the existing Valuation Ruling were much higher than their actual transaction values. They contended that the values of the goods are on a downward trend and keeping in view the decreasing prices in the international market, a fresh Valuation Ruling should be issued accordingly. In this regard, they submitted documentary evidences like copy of GDs, invoices and L/Cs, sales tax invoices and copy of Export GDs. Furthermore, they argued that the values should be based on the brands and accordingly categorized Alkaline based dry battery cell after taking local selling prices of aggregate quantity. The view point of all participants was heard in detail and considered to arrive at Customs values of the subject goods.

4- 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 because requisite information was not available as per law. The wide variation of values displayed in the import data as available on record also strengthened the aforementioned fact. Hence requisite information under law was not available to arrive at the transaction value. Therefore, identical / similar goods value methods as provided in Sub-Sections (5) & (6) of Section 25 *ibid* were examined for applicability to the valuation issue in the instant case. The same provided some reference values but could not be exclusively and solely relied upon. In line with the statutory sequential order of Section 25, this office conducted market inquiries under sub-Section (7) of section 25 of the Customs Act, 1969, after taking selling prices of greatest aggregate quantity. All information so gathered were analyzed for determination of customs values of the subject goods under Section 25 (7) of the Customs Act, 1969.

5- Customs values for Dry Battery Cells (PCT 8506.1000) - hereinafter specified shall be assessed to duty/taxes on the minimum Customs values as under:

Table-A:

S. No.	Description	Specification	PCT	Proposed PCT for WeBOC	Origin	Customs Values C&F (US\$/Pc)	
						Alkaline based	
						A	B
1	Dry Battery Cell AA/R-6-UM3	PVC Jacket	8506.1000	8506.1000.1000	China	0.161	0.080
2				8506.1000.1100	Other origins	0.185	0.092
3		Aluminum Foil /Metal Jacket		8506.1000.1200	China	0.163	0.081
4				8506.1000.1300	Other origins	0.187	0.093

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