
The Collector of Customs, Model Customs Collectorates, Appraisalment and Facilitation (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 OF TRACTOR PARTS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO. ¹⁵⁶² /2021)

No. Misc/25/2008/-VIII A (Part-4) /936.

Dated: 15-11-2021

In exercise of the powers conferred under Section 25A 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 1507/2021 dated 04.01.2021. 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. 13/2021 dated 24.03.2021, upheld the valuation ruling and revision petitions were rejected accordingly. However, on September 4, 2021 representation was received from Lahore Chamber of Commerce & Industry on the request of importers, wherein they have submitted that the values in the previous Valuation Ruling were calculated on "average weight", whereas the same should be calculated on the "actual weight" of the cylinders. Accordingly, an exercise was initiated to re-determine the customs values of tractor parts under Section 25A of the Customs Act, 1969.

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 22-09-2021. 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 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. Moreover, they also suggested to value their product on the actual weight after deducting tare weight of packaging. A market survey was recorded and weighment of items and packaging was done accordingly. The importers also referred to para 17th of impugned Order-in-Revision No. 13/2021 dated 24.03.2021 that "a caveat/check has been put in place in the impugned valuation ruling so that manipulation in weight may be curbed and revenue of the state be secured by all possible means" which was claimed on the basis of an uncorroborated assertion made by the D.R during the review proceedings of which no evidence was presented against the importers. Therefore, this caveat check being inappropriate and unfounded may be excluded/adjusted and Valuation Ruling may reflect the tariff units of measurement i.e. per piece basis after ascertaining actual weight of each items.

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



S. #	Description of goods		PCT Code	Proposed PCT to Weboc	Customs Value (C&B) in US\$ per piece			
(1)	(2)		(3)	(4)	(5)			
1	Piston with Pin and Circlip (Per piece of Single Cylinder)	3 Cylinders	Type	8409.9910	8409.9910.1000	China	Turkey	Other Origin
			Brand					
		Massey	2.98			3.48	3.64	
		Fiat	4.09			4.45	4.66	
		Ford	5.00			5.72	5.99	
		4 Cylinders	Massey			4.06	4.69	4.91
			Fiat			3.58	4.60	4.82
			Ford			5.00	5.72	5.99
Belarus	5.13		6.23	6.53				
2	Piston without Pin and Circlip (Per piece of Single Cylinder)	3 Cylinders	Massey	8409.9910	8409.9910.1100	2.44	2.78	2.91
			Fiat			3.14	3.56	3.73
			Ford			4.22	4.72	4.94
		4 Cylinders	Massey			3.36	3.77	3.95
			Fiat			3.36	3.56	3.73
			Ford			4.22	4.72	4.94
			Belarus			4.47	4.95	5.18

