



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
7TH FLOOR, CUSTOM HOUSE
KARACHI
Phone: 021-99214144

C. No. Misc/25/2013-VII/1156

Dated: 05-11-2024

VALUATION RULING NO. 1913 / 2024

1. This ruling supersedes Valuation Ruling No. 1900/2024 dated 05-07-2024.
2. This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.
3. The revision petition against this Valuation Ruling, can be filed under Section 25D of the Customs Act, 1969, within 30 days before the Director General, Customs Valuation.
4. The values in Valuation Ruling shall be treated as minimum benchmark values and shall be applicable to the given description and specification of goods.

Subject: DETERMINATION OF CUSTOMS VALUE OF SOLAR INVERTERS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

1.	Valuation Ruling	Redetermination / revision of values of earlier Valuation Ruling No. 1900/2024 dated 05.07.2024.
2.	Date of meeting with stakeholders	The meeting with relevant stakeholders was conducted on 04.09.2024

3. **Background of the Issue:** Previously, the customs values of solar inverters were determined under Section 25-A of the Customs Act, 1969, through Valuation Ruling No. 1900/2024 dated 05.07.2024. This Valuation Ruling was subsequently challenged under Section 25-D before the Director General of Customs Valuation, Karachi, who issued Order in Revision No. 54/2024 dated 27.08.2024, directing a re-evaluation of the values in the contested Valuation Ruling. Consequently, the Directorate of Customs Valuation undertook an exercise to determine the customs values of the relevant goods in accordance with Section 25-A of the Customs Act, 1969

4. **Analysis to determine Customs Values:** The importers argued that the customs values assigned to solar inverters in the disputed Valuation Ruling are excessively high and require revision. Additionally, they raised concerns about inaccurate categorization of brands, which they believe should also be revised. During the meeting, the Director of Valuation instructed relevant stakeholders to submit export GDs, LCs, and other banking documents to support their claims. The definition of solar inverters was also discussed, with distinctions made between Hybrid, On-Grid, and Off-Grid solar inverters as follows:

- a. **Hybrid Inverters:** " A hybrid inverter is one that integrates both battery storage and Grid connectivity, allowing for solar energy to be used directly, stored, or fed into the grid. "
- b. **On-Grid Inverters:** " An on-grid inverter converts solar power for direct use in the public electricity grid without battery storage, operating only when connected to the grid."



- c. **Off-Grid Inverters:**“ An off-grid inverter functions independently of the grid, incorporating battery storage to supply power in remote areas without grid access.”

5. **Method (s) adopted to determine Customs values:** To determine the transaction values of goods, valuation methods, provided in Section 25 of the Customs Act, 1969, were applied in sequential order. The transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable as declared values do not correspond to market prices. The values of identical and similar goods as per sections 25 (5) & (6) ibid could not be solely relied upon due to absence of demonstrable evidence of qualities and quantities of commercial level etc. The deductive valuation methods as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969 was relied upon to determine actual transaction value of goods. A market enquiry as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969 was conducted as per procedure of Office Order No. 17/2014 dated 19-03-2014. Various wholesale and retail markets were visited and the actual prices of subject goods were acquired and by adjusting the amounts of profits, the C&F value was determined under Section 25(7) of the Customs Act, 1969.

6. **Customs values for Solar Inverters** - In light of above, the customs values of Solar Inverters are determined and *hereinafter specified* shall be the customs value for assessment of duty / taxes given against them in the Table below: -

7.

Table-A Hybrid Solar Inverters

S.No	Description of goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/KW	
					Category A	Category B
1	2	3	4	5	6	
1	Hybrid Solar Inverters upto 3KW	8504.4090	8504.4090.1000	China	145	65
2	Hybrid Solar Inverters (Above 3 KW and up to 08 KW)		8504.4090.1100	China	115	60
3	Hybrid Solar Inverters (Above 08 KW)		8504.4090.1200	China	100	50

Table-B On-Grid/ Grid Tied Solar Inverters

S.No	Description of goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/KW	
					Category A	Category B
1	2	3	4	5		
1	On-Grid/ Grid Tied Solar Inverters upto 5KW	8504.4090	8504.4090.1300	China	95	60



2	On-Grid/ Grid Tied Solar Inverters (Above 5 KW and up to 9 KW)	8504.4090.1400	China	65	52
3	On-Grid/ Grid Tied Solar Inverters (Above 9 KW and up to 15 KW)	8504.4090.1500	China	55	45
4	On-Grid/ Grid Tied Solar Inverters (Above 15 KW and up to 20 KW)	8504.4090.1600	China	50	40
5	On-Grid/ Grid Tied Solar Inverters (Above 20 KW and up to 40 KW)	8504.4090.1600	China	35	30
6	On-Grid/ Grid Tied Solar Inverters (Above 40 KW and up to 75 KW)	8504.4090.1700	China	30	27
7	On-Grid/ Grid Tied Solar Inverters (Above 75 KW)	8504.4090.1800	China	29	20

Note 1: The values mentioned at Column 6(A) are for brands that are recognized as manufacturers of solar inverters classified as TIER-1 companies / internationally or nationally established companies (source :Wood Mackenzie) and includes: Huawei, Inverex, Goodwe, Growatt, Solis, Sungrow, Fronus, Solax, Sineng, ABB, SMA and others. These brands import Ingress Protection (IP 65 and IP 66) hybrid solar inverters and if other brands import IP 65 and IP 66 hybrid solar inverters, values mentioned in Column 6(A) shall also apply on these goods.

Note 2: Values mentioned at Column 6(B) are for other brands, not specified at Note-1 above.

**Note-1 and Note-2 are applicable on Table A & B

Table-C Off-Grid Solar Inverters

S.No	Description of goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$/KW
1	2	3	4	5	6
1	Off-Grid Solar Inverters up to 2KW	8504.4090	8504.4090.1900	China	45
2	Off-Grid Solar Inverters (Above 2 KW and up to 5 KW)		8504.4090.2000	China	42
3	Off-Grid Solar Inverters (Above 5 KW)		8504.4090.2100	China	40

8. In cases, where declared values or values in invoice retrieved from the consignment, as the case may be, are higher than the customs values determined in this valuation ruling,



the assessment shall be made on higher values in terms of sub-section (1) of Section 25 of the Customs Act, 1969.

9. In case of consignments imported by air, the difference between air freight and sea freight shall be added for the assessment of value.

10. The VR shall be applicable for the descriptions and specifications of goods as mentioned in the aforementioned table. HS Codes are mentioned for illustrative purposes.

11. The Collectorates of customs shall ensure the implementation of VR and in case of any anomaly may be brought to the notice of this Directorate immediately.


(Dr. Tahir Qureshi)
Director

Copy for necessary action and implementation:

The Collectors / Directors of Customs, Collectorates / Directorates of Customs (Appraisal-West / East / SAPT / PMBQ / JIAP / Enforcement), Karachi / Hyderabad / (Appraisal / Enforcement / Ports), Quetta / Gwadar / Khuzdar (Appraisal / Enforcement / AIIA), (Appraisal-East / West, Lahore / Faisalabad Appraisal / Enforcement, Sargodha / Enforcement & Appraisal, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisal/ Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim/Custom House, Karachi) / Transit Trade, Karachi.

Copy for information:

- 1) The Member Customs (Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) All Chief Collectors / Director Generals of Customs, Karachi / Lahore / Islamabad / Quetta / Peshawar.
- 4) All Collectors / Directors of Customs, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 5) The Director, Directorate of Customs Valuation, Lahore / Quetta / Peshawar.
- 6) The Deputy Director (MIS), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 7) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 8) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 9) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 10) The Webmaster, Federal Board of Revenue, Islamabad.
- 11) Guard File.