

C. No. Misc/31/2007-VIII/1963

Dated: 20-12-2024

**DETERMINATION OF CUSTOMS VALUES OF MOTORCYCLE PARTS –
ROLLER CHAIN & CHAIN KIT (CHAIN WITH SPROCKET SET)
UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1938 / 2024)

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, Customs values of Motorcycle Parts - Roller Chain & Chain Kit (Chain with Sprocket Set) are determined as follows:

2. **Background of the valuation issue:** Earlier, the customs values of Motorcycle Parts - Roller Chain & Chain Kit (Chain with Sprocket Set) were determined vide Serial No. 33 & 34 of Valuation Ruling No.1855/2024 dated 22-02-2024. The aforesaid Ruling was challenged before the Honorable Director General under Section 25D of the Customs Act, 1969 by M/s Service Industries Ltd (a local manufacturer), being aggrieved with the customs values of subject goods. The Director General directed the respondent department to re-visit the customs values of Motorcycle Parts - Roller Chain & Chain Kit (Chain with Sprocket Set) after affording the opportunity of hearing to the stakeholders. In view of the above, an exercise has been undertaken by the Directorate for the determination of Customs Values of subject goods under Section 25A of the Customs Act, 1969.
3. **Stakeholders' participation in determination of Customs values:** Meeting was convened on 17-12-2024 which was attended by all the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meeting.
4. **Analysis / Exercise done to determine Customs values:** During the meeting, commercial importers argued that the international prices of impugned goods are much lower than the current Customs Values being determined by the Directorate. Moreover, representatives of All Pakistan Motorcycle Spare Parts Importers & Dealers Association (MSPIDA) also endorsed the same. They further informed that the motorcycle parts in general are being smuggled into Pakistan. They requested to reduce the customs values of the impugned items to enhance the Government Revenue and to create a fair competition in the market. Moreover, a representative of M/s Service Industries Ltd (a local manufacturer) contended that the customs values determined vide existing Valuation Ruling are on a lower side and that the prices of raw material may also be taken into the account while determination of customs values of impugned goods. The participants were requested to provide written arguments, literature and other relevant documents before the Directorate in support of their contentions.
5. **Method (s) adopted to determine Customs values:** Valuation methods specified in section 25 of the Customs Act, 1969, were duly considered in sequential order to arrive at the 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 due to absence of information as required under sub-section (2) of section 25 of Customs Act, 1969. The identical goods value method as provided in section 25(5) was examined, some applicable values were found but that the same could not be solely



relied upon due to absence of absolute demonstrable evidence of quantities and qualities. Information available was, hence, found incomplete. Subsequently, similar goods value method provided in Section 25(6) was also examined and several evidence of Declared Values (DV's) were available with vast variation of lower and higher values hence the same could not be solely relied upon. Therefore, market enquiry as envisaged under Sub section (7) of Section 25 of the Customs Act, 1969 was also conducted but the same could not be solely relied upon. Moreover, in terms of Para. No. 6(a) of the Order-in-Revision No. 27/2024 dated 31.05.2024 and in line with statutory sequential order of section 25, Computed value method, as provided in Section 25(8) of the Customs Act, 1969 was examined, but the same also could not be applied as the conversion cost from the constituent raw materials and allied expenses, in the country of export, were not available for manufacturing of the said goods. Finally, the Customs values of the subject goods have been determined under Section 25(7) read with Section 25(9) and Customs Rule 121(2) of Customs Rules, 2001 which provides that the methods of valuation, to be employed under sub-section (9) of section 25 of the Act may be inclusive of those laid down in sub-sections (1), (5), (6), (7) and (8) of the said section, but a reasonable flexibility in the application of such methods would be in conformity with the aims and provisions of sub-section (9) of that section.

6. **Customs Values for Motorcycle Parts - Roller Chain & Chain Kit (Chain with Sprocket Set)** - *hereinafter specified* shall be assessed to duty / taxes at following Customs Values:

Sr. No.	Description of Goods	H.S Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$ OEM Brands (Genuine Parts)	Customs Values (C&F) US\$ Commercial Brands (Non-Genuine Parts)
1	2	3	4	5	6	7
1.	Roller Chain	7315.1110	7315.1110.1100	China	2.12 / Kg	1.51 / Kg
2.	Chain Kit (Chain with Sprocket Set)	8714.1090	8714.1090.1300	China	3.17 / Set	2.22 / Set

7. In cases, where declared values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of sub-Section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officers shall take into account the difference between air freight and sea freight while applying the Customs values in this Ruling.

8. **Validity of this Valuation Ruling:** This Ruling, containing the Customs values for assessment of subject imported goods, shall be applicable until and unless the same are rescinded or revised by the competent authority in terms of sub-Section (4) of Section 25A of the Customs Act, 1969.

9. **Revision of the values determined vide this Valuation Ruling:** If aggrieved, a revision petition may be filed against this ruling as provided under Section 25D of the Customs Act, 1969, within 30 days from the date of its issuance, 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 the Valuation Ruling, for the given description of goods, are applied by the concerned assessing officers / officials without



fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. The Customs values determined in this ruling are for the descriptions and specifications as mentioned in Para-6 of this Ruling. HS Codes are mentioned for illustrative purposes so that Valuation Ruling is made accessible to the assessing officers. The assessments shall be finalized on the basis of correct classifications after fulfilling all formalities related to importability or other certifications required thereon.

11. This ruling supersedes *Sr. No. 33 & 34 of Valuation Ruling No. 1855/2024 dated 22-02-2024.*


(Dr. Tahir Qureshi)
Director

Copy for information to: -

- 1) The Member Customs (Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, Appraisalment (South), Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisalment (Central), Custom House, Lahore.
- 6) The Chief Collector of Customs, Enforcement (Central), Custom House, Lahore.
- 7) The Chief Collector of Customs (North), Custom House, Islamabad.
- 8) The Chief Collector of Customs, Baluchistan, Custom House, Quetta.
- 9) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 10) The Director General, Intelligence and Investigation (Customs), FBR, Islamabad.
- 11) The Director General, PCA& Internal Audit, Karachi.
- 12) The Director General, IOCO, Karachi
- 13) The Director, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 14) The Director, Transit Trade, Custom House Karachi
- 15) The Director, Directorate of Customs Valuation, Lahore/Quetta/Peshawar.
- 16) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
- 17) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 18) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 19) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 20) The Webmaster, Federal Board of Revenue, Islamabad.
- 21) Guard File.