



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorate, Appraisement (East / West)/
Port Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) /
Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

Determination of Customs Values of Exercise Machines Under Section 25-A of the
Customs Act, 1969

(VALUATION RULING NO. 916/ 2016)

No. Misc/13/2009-VIII (B)/IX

933

Dated: August 26, 2016.

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969,
Customs values of Exercise Machines are determined as follows: -

2. **Background of the valuation issue:** It was brought to the notice of this Directorate General of Customs Valuation that the values of Exercise Machines have considerably increased in the international market as compared to the determined Customs values of Exercise Machines vide Valuation Ruling No.563/2013, dated 02-07-2013. The aforementioned Valuation Ruling required revision in line with the prevailing prices in the international market. Therefore, this Directorate General initiated an exercise for determination of customs values of different types of Exercise Machines.
3. **Stakeholders' participation in determination of Customs values:** Meeting with stakeholders was held on 21-06-2016, 28-06-2016 and 26-07-2016. The importers were also requested to furnish the following documents:-
 - A. Invoices of imports during last three months showing factual value.
 - B. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
 - C. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
 - D. 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. No one turned up for the scheduled meetings. Neither anyone furnished the requisite documents. One importer, M/s Bilal Brothers sought adjournments on all three occasions by submitting one excuse or another. He however did not submit any supporting documents. The importers were given sufficient time to submit their contentions, but they could not submit any. No other importer approached this Directorate General.



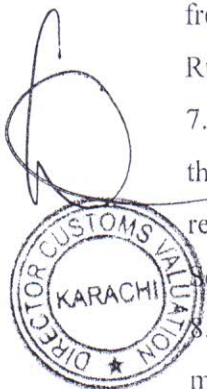
5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at fair value of Exercise Machines. Transaction value method provided in Section 25 (1) was found inapplicable owing to wide variation in the values being declared to the customs and incomplete descriptions. Identical/ similar goods value methods provided in Section 25 (5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of subject goods. Thereafter, market enquiry as envisaged under Section 25 (7) of the Customs Act, 1969, was conducted. As the stakeholders were not forthcoming with the values of the Exercise Machines as being traded in the international market, therefore different markets were surveyed repeatedly for the purpose. Online prices were also obtained to corroborate the findings of the market surveys. Computed Value Method as provided in Section 25 (8) could not be applied for valuation of the aforementioned goods as the cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25 (8) of the Act, in the country of export, could not be ascertained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values of Exercise Machines. Consequently, the Customs values of Exercise Machines have been determined under Section 25 (9) of the Customs Act, 1969.

5. **Customs values for Exercise Machines:** Exercise Machines, *hereinafter* specified, shall be assessed to duty/taxes at the Customs Values mentioned against them as per Annexure (Pages- 1 to 6).

6. In cases where declared/transaction 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 officer shall take into account the differential between air freight and sea freight or in case of import through Land Customs Stations, the differential amount between the Sea freight and land transport charges while applying the Customs values determined in this Ruling.

7. **Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

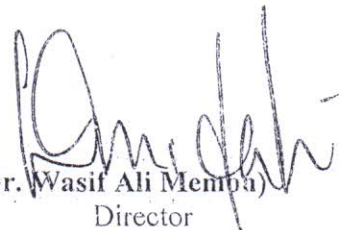
8. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25-D of the Customs Act, 1969,



within 30 days from the date of issue of this ruling, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

9. 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 this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the Annexure to this Valuation Ruling. HS Codes are mentioned for illustrative purposes 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.

10. *This Valuation Ruling supersedes Valuation Ruling No. 563/2013, dated 02-07-2013 and followed by its corrigendum dated 03-07-2013.*


(Dr. Wasif Ali Memba)
Director

Copy for information to: -

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in WeBOC database system and deleting *Valuation Ruling No. 563/2013, dated 02-07-2013 and followed by its corrigendum dated 03-07-2013.*
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.

15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & Peshawar.
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisement (East/West), Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading FBR website and deleting *Valuation Ruling No. 563/2013, dated 02-07-2013 and followed by its corrigendum dated 03-07-2013.*
22. Guard File.

Annexure to Valuation Ruling No. 916/2016 Dated August 26, 2016

| S.No | Description of goods | PCTs | Proposed PCTs for WebOC | Origin | Customs Values | |
|------|-----------------------------------|------|-------------------------|-----------------------------|----------------|--|
| | | | | | (C&F) US\$/Kg | |
| 1 | 2 | 3 | 4 | 5 | 6 | |
| 1 | | | 9506.9100.1000 | China | 7.40 | |
| 2 | Motorized Treadmills Up to 1.0 HP | | 9506.9100.1010 | Taiwan/Far East/Middle East | 10.50 | |
| 3 | | | 9506.9100.1020 | Other Origins | 15.30 | |
| 4 | | | 9506.9100.1030 | China | 8.20 | |
| 5 | Motorized Treadmills 1.1 to 2.0HP | | 9506.9100.1040 | Taiwan/Far East/Middle East | 11.90 | |
| 6 | | | 9506.9100.1050 | Other Origins | 17.00 | |
| 7 | | | 9506.9100.1060 | China | 12.20 | |
| 8 | Motorized Treadmills 2.1 to 3.0HP | | 9506.9100.1070 | Taiwan/Far East/Middle East | 17.00 | |
| 9 | | | 9506.9100.1080 | Other Origins | 21.25 | |
| 10 | | | 9506.9100.1090 | China | 6.80 | |
| 11 | Exercise Bike | | 9506.9100.1100 | Taiwan/Far East/Middle East | 9.00 | |
| 12 | | | 9506.9100.1110 | Other Origins | 13.20 | |
| 13 | | | 9506.9100.1120 | China | 8.80 | |
| 14 | Elliptical Trainer | | 9506.9100.1130 | Taiwan/Far East/Middle East | 11.90 | |
| 15 | | | 9506.9100.1140 | Other Origins | 15.30 | |
| 16 | | | 9506.9100.1150 | China | 3.80 | |
| 17 | Gymnasiums | | 9506.9100.1160 | Taiwan/Far East/Middle East | 5.65 | |
| 18 | | | 9506.9100.1170 | Other Origins | 8.00 | |

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| S. No | Description of goods | PCTs | Proposed PCTs for WeBOC | Origin | Customs Values (C&F) US\$/Kg |
|-------|--------------------------|------|-------------------------|-----------------------------|---------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| 19 | Multi station Gymnasiums | | 9506.9100.1180 | China | 4.00 |
| 20 | | | 9506.9100.1190 | Taiwan/Far East/Middle East | 6.00 |
| 21 | | | 9506.9100.1200 | Other Origins | 8.20 |
| 22 | | | 9506.9100.1210 | China | 8.50 |
| 23 | Incumbent Machine | | 9506.9100.1220 | Taiwan/Far East/Middle East | 11.90 |
| 24 | | | 9506.9100.1230 | Other Origins | 15.30 |
| 25 | | | 9506.9100.1240 | China | 7.00 |
| 26 | Bicycle Trainer | | 9506.9100.1250 | Taiwan/Far East/Middle East | 9.50 |
| 27 | | | 9506.9100.1260 | Other Origins | 14.00 |
| 28 | | | 9506.9100.1270 | China | 5.10 |
| 29 | Steppers | | 9506.9100.1280 | Taiwan/Far East/Middle East | 7.14 |
| 30 | | | 9506.9100.1290 | Other Origins | 8.50 |
| 31 | | | 9506.9100.1300 | China | 5.20 |
| 32 | Squat Station | | 9506.9100.1310 | Taiwan/Far East/Middle East | 6.80 |
| 33 | | | 9506.9100.1320 | Other Origins | 8.50 |
| 34 | | | 9506.9100.1330 | China | 8.50 |
| 35 | Barbells | | 9506.9100.1340 | Taiwan/Far East/Middle East | 10.65 |
| 36 | | | 9506.9100.1350 | Other Origins | 12.75 |
| 37 | | | 9506.9100.1360 | China | 2.90 |
| 38 | Bench Press | | 9506.9100.1370 | Taiwan/Far East/Middle East | 3.90 |
| 39 | | | 9506.9100.1380 | Other Origins | 4.70 |

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| S. No | Description of goods | PCTs | Proposed PCTs for weBOC | Origin | Customs Values (C&F) US\$/Kg |
|----------|--------------------------------|----------|-------------------------|-----------------------------|------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| 40 | Incline Bench Press | | 9506.9100.1390 | China | 6.80 |
| 41 | | | 9506.9100.1400 | Taiwan/Far East/Middle East | 8.50 |
| 42 | | | 9506.9100.1410 | Other Origins | 11.00 |
| 43 | Hammer Strength machine | | 9506.9100.1420 | China | 4.25 |
| 44 | | | 9506.9100.1430 | Taiwan/Far East/Middle East | 5.95 |
| 45 | | | 9506.9100.1440 | Other Origins | 7.25 |
| 46 | Cables and Pulleys/Cable Cross | | 9506.9100.1450 | China | 5.10 |
| 47 | | | 9506.9100.1460 | Taiwan/Far East/Middle East | 8.50 |
| 48 | | | 9506.9100.1470 | Other Origins | 10.20 |
| 49 | Dumb Bells | | 9506.9100.1480 | China | 1.80 |
| 50 | | | 9506.9100.1490 | Taiwan/Far East/Middle East | 3.40 |
| 51 | | | 9506.9100.1500 | Other Origins | 5.10 |
| 52 | Pull Up Bar | | 9506.9100.1510 | China | 2.55 |
| 53 | | | 9506.9100.1520 | Taiwan/Far East/Middle East | 3.40 |
| 54 | | | 9506.9100.1530 | Other Origins | 4.25 |
| 55 | Lat Pull Down Machine | | 9506.9100.1540 | China | 4.10 |
| 56 | | | 9506.9100.1550 | Taiwan/Far East/Middle East | 5.95 |
| 57 | | | 9506.9100.1560 | Other Origins | 8.50 |
| 58 | Leg Extension Machine | | 9506.9100.1570 | China | 6.80 |
| 59 | | | 9506.9100.1580 | Taiwan/Far East/Middle East | 9.35 |
| 60 | | | 9506.9100.1590 | Other Origins | 11.90 |

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| S. No | Description of goods | PCTs | Proposed PCTs for WeBOC | Origin | Customs Values |
|-------|-----------------------|------|-------------------------|-----------------------------|----------------|
| | | | | | (C&F) US\$/Kg |
| 1 | 2 | 3 | 4 | 5 | 6 |
| 61 | Leg Curl Machine | | 9506.9100.1600 | China | 7.65 |
| 62 | | | 9506.9100.1610 | Taiwan/Far East/Middle East | 10.20 |
| 63 | | | 9506.9100.1620 | Other Origins | 12.00 |
| 64 | | | 9506.9100.1630 | China | 4.65 |
| 65 | Hyper Extension Bench | | 9506.9100.1640 | Taiwan/Far East/Middle East | 5.40 |
| 66 | | | 9506.9100.1650 | Other Origins | 6.80 |
| 67 | | | 9506.9100.1660 | China | 4.90 |
| 68 | Dipping Bars | | 9506.9100.1670 | Taiwan/Far East/Middle East | 6.15 |
| 69 | | | 9506.9100.1680 | Other Origins | 8.50 |
| 70 | | | 9506.9100.1690 | China | 5.75 |
| 71 | Smith Machine | | 9506.9100.1700 | Taiwan/Far East/Middle East | 6.85 |
| 72 | | | 9506.9100.1710 | Other Origins | 8.50 |
| 73 | | | 9506.9100.1720 | China | 6.70 |
| 74 | Preacher Bench | | 9506.9100.1730 | Taiwan/Far East/Middle East | 8.50 |
| 75 | | | 9506.9100.1740 | Other Origins | 11.90 |
| 76 | | | 9506.9100.1750 | China | 6.60 |
| 77 | Abdominal Bench | | 9506.9100.1760 | Taiwan/Far East/Middle East | 8.50 |
| 78 | | | 9506.9100.1770 | Other Origins | 11.90 |
| 79 | | | 9506.9100.1780 | China | 7.60 |
| 80 | Leg Press machine | | 9506.9100.1790 | Taiwan/Far East/Middle East | 9.20 |
| 81 | | | 9506.9100.1800 | Other Origins | 12.75 |

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|-------|-----------------------------------|------|-------------------------|-----------------------------|----------------|
| | | | | | (C&F) US\$/Kg |
| 1 | 2 | 3 | 4 | 5 | 6 |
| 82 | | | 9506.9100.1810 | China | 8.50 |
| 83 | Hack Squat Machine | | 9506.9100.1820 | Taiwan/Far East/Middle East | 10.65 |
| 84 | | | 9506.9100.1830 | Other Origins | 12.75 |
| 85 | | | 9506.9100.1840 | China | 6.70 |
| 86 | Calf Machines | | 9506.9100.1850 | Taiwan/Far East/Middle East | 8.35 |
| 87 | | | 9506.9100.1860 | Other Origins | 10.55 |
| 88 | | | 9506.9100.1870 | China | 7.30 |
| 89 | Leg Adduction / Abduction Machine | | 9506.9100.1880 | Taiwan/Far East/Middle East | 8.30 |
| 90 | | | 9506.9100.1890 | Other Origins | 10.20 |
| 91 | | | 9506.9100.1900 | China | 8.50 |
| 92 | Pee Deck Machine | | 9506.9100.1910 | Taiwan/Far East/Middle East | 10.20 |
| 93 | | | 9506.9100.1920 | Other Origins | 11.90 |
| 94 | | | 9506.9100.1930 | China | 1.50 |
| 95 | Kettle Bells | | 9506.9100.1940 | Taiwan/Far East/Middle East | 2.00 |
| 96 | | | 9506.9100.1950 | Other Origins | 3.15 |
| 97 | | | 9506.9100.1960 | China | 8.00 |
| 98 | Wall Ball | | 9506.9100.1970 | Taiwan/Far East/Middle East | 14.00 |
| 99 | | | 9506.9100.1980 | Other Origins | 20.00 |
| 100 | | | 9506.9100.1990 | China | 6.55 |
| 101 | Foam Roller | | 9506.9100.2000 | Taiwan/Far East/Middle East | 9.80 |
| 102 | | | 9506.9100.2010 | Other Origins | 13.15 |

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| S. No | Description of goods | PCTs | Proposed PCTs for WeBOC | Origin | Customs Values (C&F) US\$/Kg |
|----------|---|----------|----------------------------|-----------------------------|---------------------------------|
| 1 | 2 | 3 | 4 | 5 | 6 |
| 103 | Stability Ball | | 9506.9100.2020 | China | 6.00 |
| 104 | | | 9506.9100.2030 | Taiwan/Far East/Middle East | 9.80 |
| 105 | | | 9506.9100.2040 | Other Origins | 13.50 |
| 106 | | | 9506.9100.2050 | China | 12.75 |
| 107 | & Body-Solid Pro Dual Leg Extension Curl Machine | | 9506.9100.2060 | Taiwan/Far East/Middle East | 18.70 |
| 108 | | | 9506.9100.2070 | Other Origins | 20.00 |
| 109 | Leg Extension Station | | 9506.9100.2080 | China | 12.00 |
| 110 | | | 9506.9100.2090 | Taiwan/Far East/Middle East | 15.75 |
| 111 | | | 9506.9100.2100 | Other Origins | 20.40 |
| 112 | | | 9506.9100.2110 | China | 5.00 |
| 113 | Other Exercise Machines | | 9506.9100.2120 | Taiwan/Far East/Middle East | 6.00 |
| 114 | | | 9506.9100.2130 | Other Origins | 8.00 |

(Iqbal Hussain Kalwar)
Valuation Officer

(Ch. Rizwan Bashir Khan)
Deputy Director

(Muhammad Aslam)
Principle Appraiser

(Muhammad Iqbal Muneeb)
Additional Director

(Dr. Wasif Ali Memon)
Director