



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

Determination of Custom Values of Tractor Parts
Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 945 /2016)

No. Misc/25/2008-VIII A

19567

Dated: October, 05, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Tractor Parts 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 tractor parts have increased in the international market as compared to the determined customs values of tractor parts vide Valuation Ruling No.728/2015, dated 14-05-2015. The impugned 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 value for Tractor Parts.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were held on 18-07-2016 and 28.07.2016 which were attended by the representative of Pakistan Association of Automotive Parts and Accessories Manufacturers (PAAPAM), Pakistan Automobile Spare Parts Importers and Dealers Association (PASPIDA), importers, local manufacturers and officers from MCC Appraisement(East/ West).The importers were also requested to furnish their proposal and 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. None has submitted the above requisite documents. However, the importers and representatives from PASPIDA during the meeting were of the view that the prices of the subject commodity have decreased in the international market as compared to values determined in the valuation ruling No.728/2015, dated 14-05-2015 because of economic recession, prices of raw material are downward internationally However, they could not submit any corroboratory evidence/documents in support of their contentions. The manufacturers during the meeting contended that determined values are not truly reflecting international prices and requested for some time to submit the evidences in support of their contention but they did not submit any documentary evidence in spite of lapse of considerable time. However, while determining values their contention was cross checked with international net prices , clearance data and market enquiry .



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 tractor parts. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available. 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, a detailed market enquiry as envisaged under Section 25(7) of the Customs Act, 1969, was conducted from Lahore by the Directorate of Custom Valuation, Lahore being major market of imported tractor parts. As the stakeholders were not forthcoming with the values of the tractor parts as being traded in the international market, therefore different markets were surveyed repeatedly for this purpose. Online prices were also obtained to corroborate the findings of the market surveys. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of export were not available. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values of tractor parts. Consequently, the Customs values of tractor parts have been determined under Section 25 (9) of the Customs Act, 1969.

6. **Customs values for Tractor Parts:** Tractor Parts, *hereinafter specified*, shall be assessed to duty/taxes at the Customs Values mentioned below:-

S.No.	Description	H.S.Code	Proposed PCT for WeBOC	Customs Values (C&F) US\$ / Kg		
				China	Turkey / Brazil	Others
1	Piston Set	8409.9910	8409.9910.1000	2.00	2.20	2.40
2	Ring Set	8409.9910	8409.9910.1100	2.65	2.90	3.18
3	Cylinder Blocks	8409.9910	8409.9910.1200	1.16	1.28	1.40
4	Cylinder Heads	8409.9910	8409.9910.1300	1.16	1.28	1.40
5	Cylinder Liners	8409.9910	8409.9910.1400	1.16	1.28	1.40
6	Inlet & Exhaust Valves	8409.9920	8409.9920.1000	1.65	1.80	1.98
7	Connecting Rods & Caps	8409.9920	8409.9920.1100	1.40	1.54	1.68
8	Tappets, Push Rods & Rocker Arm	8409.9920	8409.9920.1200	1.90	2.10	2.30
9	Rear End Housing	8409.9920	8409.9920.1300	1.40	1.54	1.68
10	Fuel Pumps	8413.3020	8413.3020.1000	1.48	1.63	1.77
11	Oil Pumps	8413.3020	8413.3020.1100	1.48	1.63	1.77
12	Water Pumps Assembly	8413.3020	8413.3020.1200	1.26	1.40	1.51
13	Main Shafts, Counter Shafts & Cam Shafts	8483.1011	8483.1011.1000	1.45	1.60	1.75
14	Crown Wheel Pinion & Parts / Gear set	8483.1011	8483.1011.1100	1.40	1.54	1.68
15	Crank Shaft Assembly	8483.1019	8483.1019.1000	1.26	1.40	1.51
16	Gaskets & Joints	8484.1021	8484.1021.1000	1.26	1.40	1.51



7. 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 while applying the Customs values determined in this Ruling.

8. **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.

9. **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.

10. 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 tables above of this 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.

11. ***This Valuation Ruling supersedes Valuation Ruling No.728/2015, dated 14-05-2015***


(Dr. Wasif Ali Memon)
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