



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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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 Customs Values of Bearings Under Section 25-A of the  
Customs Act, 1969**

(VALUATION RULING NO. 953 / 2016)

No. Misc/01/2009-VII (Part-III)

Dated: October 14 , 2016

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

2. **Background of the valuation issue:** Customs values of Bearings were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.312/2011, dated 10-05-2011. The 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 Bearings.

3 **Stakeholders' participation in determination of Customs values:** Different meetings with stakeholders were held and a final meeting was held on 26-05-2016. Importers had been requested to furnish the following documents before or during the course of meeting:

- 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. Certain importers submitted documents in support of their contentions indicating that their invoices and declarations are much higher than the values determined in the ruling. A number of other importers present during the meetings strongly contested their claims and contended that bearings' prices have decreased internationally due to slump in oil and metal prices. They also asserted that the values of bearings used for industrial applications, produced in smaller quantity, with high quality, are costlier, whereas major business is for automotive and general application bearings which are imported in 3, 4 & 5 digit quantity. These are mostly used for cars, trucks, motorcycles, three wheelers, tractors, trolleys, agriculture implements, electric motor, and water pumps etc. They also claimed that Values of Chinese origin bearings have been reduced considerably but the benefit of such reduction in prices have not yet reached to the importers due to higher valuation on Chinese bearings. They claimed that higher values would result in more smuggling. On the other hand, some importers contended that the claims of importers of Chinese origin bearings is incorrect and margin of value for the purpose of origin cannot be so exaggerated. No consensus could be achieved in the meetings, so both groups of importers were asked to submit documentary evidence in support of their contentions. Despite a lapse of considerable time, the importers have not submitted the requisite documents except some import invoices. Resultantly numerous market surveys were conducted for determination of the customs values.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs values of different types of Bearings. Transaction value method provided in Section 25 (1) was found inapplicable owing to wide variation in the values being declared to the customs. 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. Stakeholder's meetings were also scheduled but during the meetings very divergent point of regarding international market prices was presented. Thereafter, market enquiry as envisaged under section 25(7) of the Customs Act, 1969, was conducted which gave most of the Bearings bought and sold in the local market. The Bearings of Industrial use were not readily available in the market; therefore, different markets were surveyed repeatedly. 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. Online values of subject goods were also obtained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Bearings have been determined under Section 25(9) of the Customs Act, 1969.

**6. Customs values for Bearings:** Bearings *hereinafter* specified *shall* be assessed to duty/taxes at the following Customs Values: -

S. No.	Description	PCT	Proposed PCT for WeBOC	Origin	Customs value US\$/kg	
1	2	3	4	5	6	7
					Category-A	Category-B
1	Ball Bearings	8482.1000	8482.1000.1000	China	5.50	3.50
2			8482.1000.1010	Romania, Poland, Slovakia, Bulgaria, Hungary, Russia	7.15	4.55
3			8482.1000.1020	Japan	10.00	8.50
4			8482.1000.1030	Other Origins	7.80	6.00
5	Roller, Taper, Needle, Spherical, Cylindrical Bearings etc.	8482.2000 8482.3000 8482.4000 8482.5000 8482.6000 8482.7000 8482.8000	8482.2000.1000 8482.3000.1000 8482.4000.1000 8482.5000.1000 8482.6000.1000 8482.7000.1000 8482.8000.1000	China	6.30	4.00
6			8482.2000.1010 8482.3000.1010 8482.4000.1010 8482.5000.1010 8482.6000.1010 8482.7000.1010 8482.8000.1010	Romania, Poland, Slovakia, Bulgaria, Hungary, Russia	8.25	5.25
7			8482.2000.1020 8482.3000.1020 8482.4000.1020 8482.5000.1020 8482.6000.1020 8482.7000.1020 8482.8000.1020	Japan	11.50	9.80

8		8482.2000.1030 8482.3000.1030 8482.4000.1030 8482.5000.1030 8482.6000.1030 8482.7000.1030 8482.8000.1030	Other Origins	9.00	6.90
<b>Category-A:</b> NSK / SKF / NTN / Nachi / Koyo / IKO / Benson / ZWZ					
<b>Category-B:</b> Bear Max/ Osaka/ Kaka/ Tr-Fk, NBN, NIN, LYC, Zimco, Black Fox, NSB & Juf/ DPI, TPS, DYZV, Supernin/ Europower/ D-tech, Hi-tech, Super, Vector, Fast-M & Ningold and other similar brands					

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 element of air freight while assessing the goods.

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, 7<sup>th</sup> 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 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 ruling supersedes Valuation Ruling No.312/2011 dated 10-05-2011.*

(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.