

**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/Exports (Karachi/PQ).

**Determination of Customs Values of Gas / Electric Water Heater under**  
**Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. 1076 / 2017)

No. Misc/43/2017-VII

Dated: **March 09, 2017**

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Gas/Electric Water Heaters are determined as follows: -

2. **Background of the valuation issue:** This Directorate General has earlier circulated VDB values of Gas/Electric Water Heater vide Valuation Data Base Nos. 85 dated 18-11-2016 & 171 dated 26-01-2017. Some importers approached this Directorate General and requested to revisit the customs values notified vide aforesaid VDB letters.

3 **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were held on 02-03-2017. 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. No documents were submitted in this Directorate General on or before the said scheduled meeting. During the course of the meeting, the stakeholders claimed that the difference in values of Gas / Electric Water heaters of low end brands vis-a-viz notified brands was more than the actual, and it needed to be reduced. Secondly, they provided a list of other brands which were equivalent to those notified vide the VDB. They were requested to submit import invoices, sales tax invoices, literature, evidences and other relevant requisite import documents in support of their contentions. They, however, provided a few copies of import invoices.

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 Gas/Electric Water Heater. 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 upon 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. For the purpose, 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

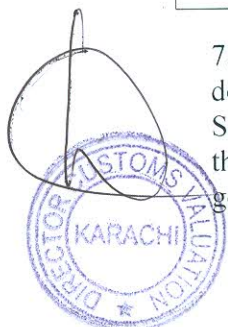


was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Gas/Electric Water Heater have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Gas/Electric Water Heater:** Gas/Electric Water Heater specified herein *shall* be assessed to duty/ taxes at the Customs values given are as under:-

S. No.	Description	Brands	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value US\$/Litre
1	Electric Water Heater	Super Asia/ NASGAS/ Canon/ Golden Fuji/ Extreme/ Atlas/ Boss/ Fotile/ Ambassador/ Rinnai/ Super Rinnai/ Siemens/Kitchen Master	8516.1000	8516.1000.1000	China	3.50
2		Annex/ Annex- Plus/ Insta Gas/ Ardi/ WestPoint/ Bester/ Super / Jackpot/ Seco/SEC/ Deuron/ Taurus/ Sogo/ Geepas/ General/ Perfect/ Yeso/ Xelent/Win		8516.1000.1100	China	3.35
3		Low End brands		8516.1000.1200	China	3.25
4	Gas Water Heater	Super Asia/ NASGAS/ Canon/ Golden Fuji/ Extreme/ Atlas/ Boss/ Fotile/ Ambassador/ Rinnai/ Super Rinnai/ Siemens/Kitchen Master	8419.1100 8419.1900	8419.1100.1000 8419.1900.1000	China	3.70
5		Annex/ Annex- Plus/ Insta Gas/ Ardi/ WestPoint/ Bester/ Super / Jackpot/ Seco/SEC/ Deuron/ Taurus/ Sogo/ Geepas/ General/ Perfect/ Yeso/ Xelent/Win		8419.1100.1100 8419.1900.1100	China	3.50
6		Low End brands		8419.1100.1200 8419.1900.1200	China	3.40

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.

11. ***This ruling supersedes VDBs No. 85 dated 18-11-2016 and 171 dated 26-01-2017***

(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), 1<sup>st</sup> Floor, PT&T Audit Building, Mauje-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 VDBs No.85 dated 18-11-2016 & 171 dated 26-01-2017
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, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi / MCC, Appraisalment (East/West), Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading at FBR website.
22. Guard File.