

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 Dry Battery Cell under Section 25-A of the Customs Act, 1969** 1189

(VALUATION RULING NO. / 2017)

No. Misc/12/2013-VII 11579

Dated: July 6, 2017

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

2. **Background of the valuation issue:** Customs values of Dry Battery Cell were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.1079/2017, dated 13-03-2017 and Order-in-Revision No. 344/2017 dated 29-05-2017. The aforesaid Valuation Ruling and Order-in-Revision were challenged before the Honourable Appellate Tribunal, Karachi vide Customs Appeal No. K-672/2017. The Honourable Appellate Tribunal, Karachi set aside Valuation Ruling of Dry Battery Cells and Valuation Department also directed to take appropriate measures and issue a fresh Valuation ruling in accordance with the principles laid down in Sections 25 and 25-A of the Customs Act, 1969, after giving hearing opportunity to stakeholders. Hence this Directorate General initiated fresh investigation.

3 **Stakeholders' participation in determination of Customs values:** A meeting with stakeholders was held on 15-06-2017. 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 even after the said scheduled meetings. Resultantly numerous 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 Dry Battery Cell. 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 Dry Battery Cell various brands have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Dry Battery Cell:** Dry Battery Cells, as specified herein, shall be assessed to duty/ taxes at the Customs values given are as under:-

S. No.	Description of goods	HS Code	Proposed PCT for WeBOC	Origin	Customs value US\$/Pc			
					Category A	Category B	Category C	
1	Dry Battery Cells AA/R-6-UM3 PVC Jacket	8506.1000	8506.1000.1000	China	0.050	0.045	0.013	
2			8506.1000.1100	Other Origins	0.076	0.068	0.017	
3	Dry Battery Cells AA/R-6-UM3 Aluminum Foil Jacket		8506.1000.1200	China	0.054	0.048	0.013	
4			8506.1000.1300	Other Origins	0.081	0.073	0.019	
5	Dry Battery Cells AA/R-3-UM4 PVC Jacket		8506.1000.1400	China	0.037	0.033	0.011	
6			8506.1000.1500	Other Origins	0.057	0.051	0.016	
7	Dry Battery Cells AA/R-3-UM4 Aluminum Foil Jacket		8506.1000.1600	China	0.037	0.036	0.013	
8			8506.1000.1700	Other Origins	0.061	0.055	0.019	
9	Dry Battery Cells D size-R-20-UM-1 PVC Jacket		8506.1000.1800	China	0.161	0.146	0.060	
10			8506.1000.1900	Other Origins	0.243	0.220	0.089	
11	Dry Battery Cells D size-R-20-UM-1 Aluminum Foil Jacket		8506.1000.2000	China	0.165	0.149	0.061	
12			8506.1000.2100	Other Origins	0.247	0.224	0.092	
13	Category-A: Brands like Energizer/ Duracell							
14	Category-B: Brands like Toshiba/ Panasonic/Mitsubishi/Eveready/Optima/Toshiba/Sony/ Sanyo/Rayovac/Kodak							
15	Category-C: Low end 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.

11. *This ruling supersedes Valuation Ruling No.1079/2017, dated 13-03-2017.*

  
(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, 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.1079/2017, dated 13-03-2017.
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 FBR website and deleting Valuation Ruling No. 1079/2017, dated 13-03-2017.
22. Guard File.