



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 (Appraisement /Preventive) / Peshawar/ Gawadar/ Gilgit-Baltistan/Exports (Karachi/Port Qasim)/ Directorate of Transit Trade, Karachi.


Determination of Customs Values of Refrigeration Gases (in Retail Packing and ISO Tanks/Drums) under Section 25-A of the Customs Act, 1969

No.Misc/09/2012-II /2085

Dated: June 12, 2019

(VALUATION RULING NO.1377/ 2019)

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Refrigeration Gases R-22, R-134a, R-141b, R404a, R-407c, R-410a, R-600a, R-290a, R-32 and R-125 (in Retail Packing and ISO Tanks) are determined as follows:

**2. Background of the Valuation Issue:** Earlier the Customs values of Refrigeration Gases R-22, R-134a and R-141b were determined vide Valuation Ruling No.790 dated 08-01-2016. Several representations were received from importers and M/s. Pakistan HVACR Importers and Traders Association wherein they requested for revision of customs value of Refrigeration Gases in accordance with the prevailing price trend in the international market. Keeping in view the prevailing prices in the international market, this Directorate General initiated an exercise for re-determination of customs values of the subject goods under Section 25-A of the Customs Act, 1969.

3. Stakeholders' participation in determination of Customs values: Several meetings with stakeholders, including importers and representatives from field formations, were held to discuss the current international price of the subject goods. Importers/ stakeholders were requested to furnish following documents before or during the course of meetings so that customs values could be determined:


- i. Invoices of imports during last three months showing factual value.
- ii. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- iii. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- iv. Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

4. During the proceedings, verbal and written submissions were made by different stakeholders including M/s. Pakistan HVACR importers and traders association wherein they stated that refrigeration gases of type R32, R125, R404a, R407c, R410a, R600a, R290) used in refrigerators and air conditioners (conventional and inverter types), are

also being imported regularly, but there is variation in their assessed values. They requested to include said refrigeration gases in the valuation ruling for uniform assessment across the country. The view point of all participants was heard in detail and considered to arrive at the customs value of subject goods.

5. Method Adopted to Determine Customs Values: Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their sequential order to arrive at customs values of subject goods. The transaction value method as provided in Sub-Section (1) of Section 25 of the Customs Act, 1969 was found inapplicable due to wide variations in declarations. Identical / similar goods value methods provided in Sub-Section (5) & (6) of Section 25 of the Customs Act, 1969, provided some reference values but due to wide variations in the declarations the same could not be relied upon exclusively. Thereafter, market enquiries as envisaged under Section 25 (7) of the Customs Act, 1969, were conducted. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the goods are used as raw materials and conversion costs from constituent material at the country of export were not available. Online values of subject goods were also obtained. All information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the customs values of the refrigerant gases (in Retail Packing & ISO Tanks) have been determined under section 25 (9) of the Customs Act, 1969.

6. Customs values for Refrigeration Gases in Retail Packing and ISO Tanks: Refrigeration Gases in Retail Packing and ISO Tanks *hereinafter specified* shall be assessed to duty/taxes at the following Customs Values:



S. No.	Specifications	Origin	PCT Code	Proposed PCT for WBOC	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	R-22 (Chlorodifluoromethane)	China	2903.7100	2903.7100.1010	2.40
2.	R-134a (1,1,1,2- Tetrafluorethane)	China	2903.3930	2903.3930.1010	3.80
3.	R-141b (Dichlorofluoroethane)	China	2903.7300	2903.7300.1010	2.20
4.	R- 600a (Isobutane)	China	2901.1010	2901.1010.1010	2.30
5.	R-290 (Propane)	China	2711.1200	2711.1200.1010	2.30
6.	R-32 (Difluoromethane)	China	2903.3920	2903.3920.1010	2.50
7.	R-125 (Pentafluorethane)	China	2903.3990	2903.3990.1010	3.30
8.	R-404a 1,1,1,2- (Trifluoroethane /Pentafluoroethane)/ 1,1,1- Trifluoroethane	China	3824.7800	3824.7800.1010	3.25

9.	R-407c 1,1,1,2- (Difluoromethane/1,1,1,2- Tetrafluoroethane)	China	3824.7800	3824.7800.1020	3.25
10.	R-410a R-410a (Difluoromethane/ Pentafluorethane)	China	3824.7800	3824.7800.1030	2.90
Note: The Customs values mentioned above are for retail packing. US\$ 0.30/Kg and US\$ 0.20/Kg are to be deducted from the above mentioned customs values in case goods are imported in ISO Tank and Drum packing respectively.					

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 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-Section (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 descriptions and specifications 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 certifications 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.790/2016, dated 08-01-2016.***


(Shafique Ahmad Latki)
Director

Copy for information to:

1. The Member (Customs), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.

5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. Chief Collector of Customs (Quetta).
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
10. The Director General, Post Clearance Audit (PCA), Islamabad.
11. The Director General, Internal Audit (Customs), Karachi.
12. The Director General, IOCO, Karachi.
13. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
14. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No. **790/2016** dated 08.01.2016.
15. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
16. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & Peshawar.
17. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Revision Section, Customs Valuation, 7th Floor, Custom House, Karachi.
19. Karachi Customs Agents Group, Bohri Road, Karachi.
20. CHO, Customs Valuation, Custom House, Karachi.
21. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisement, 1st Floor, Custom House, Karachi.
22. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading on FBR Website and deleting **Valuation Ruling. No. 790/2016 dated 08.01.2016.**
23. Guard File.