



GOVERNMENT OF PAKISTAN

DIRECTORATE GENERAL OF CUSTOMS VALUATION

CUSTOM HOUSE KARACHI

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

Determination of Customs Values of Cam Shaft, Crank Shaft, Spark Plugs, Lamps Light Lenses, Sealed Beam and Rubber Parts (Replacement Auto Parts) under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1401 / 2019)

No.Misc/22/2009-VIIIA/Part-III / 2530

Dated: 30th October, 2019


In exercise of the powers conferred under Section 25A of the Customs Act, 1969, Customs values of Cam Shaft, Crank Shaft, Spark Plugs, Lamps Light Lenses, Sealed Beam and Rubber Parts (Replacement Auto Parts) are determined as follows:

2. **Background of the Valuation Issue:** Earlier the Customs values of Cam Shaft, Crank Shaft, Spark Plugs, Lamps Light Lenses, Sealed Beam and Rubber Parts (Replacement Auto Parts) were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling (VR) No.1286/2018 dated 17-04-2018. Being aggrieved by this VR, revision petitions under Section 25D ibid were filed by various importers. The Director General of Customs Valuation disposed of said revision petitions vide Order-in-Revision No.13/2019 dated 18-09-2019 and directed this office to re-determine the Customs values afresh as the impugned VR was more than 18 months old. Moreover, the Federal Board of Revenue issued CGO No.15/2019 dated 13th September 2019 and CGO No.17/2019 dated 19th September 2019 and changed the Unit of Measurement (UoM) of a number of PCT headings, including some of those falling in said VR, for assessment purposes. This necessitated re-determination of Customs values to bring the Unit of Measurement in conformity with above CGOs.

3. **Stakeholders' Participation in Determination of Customs Values:** Meetings with all the stakeholders, trade bodies including representatives of clearance Collectorates, were held in this Directorate General on 10-10-2019 and 17-10-2019. The importers/stakeholders were requested to submit their proposals/suggestions as well as following documents before or during the course of stakeholders' meetings so that Customs values could be determined:

- i) Invoices of imports during last three months showing customs 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 meetings, it was observed that local manufacturers and importers were of conflicting views regarding valuation of replaceable auto parts. The auto parts manufacturers contended that the values of spare auto parts had significantly increased in the international market and, therefore, the same may be determined accordingly. M/s Indus Motors expressed their concerns mainly on import values of Cam Shaft, Crank Shaft, Spark Plugs, Lamps Light Lenses, Sealed Beam and Rubber Parts. On the other hand, the importers challenged the manufacturers' point of view and submitted that due to number of factors like decreasing trend in the raw material's prices, manufacturing cost, technological advancement, magnitude of import, and after sale demand etc., the import values of replacement auto parts are affected. It was thus, requested that all such factors may be taken into consideration while determining values of subject goods. M/s PASPIDA also highlighted the same issues as stated above. However, no importers submitted any documents like import invoices, sales tax invoices, and literature/representative samples etc. to substantiate their claims. The representatives from clearance Collectorates contended that Customs values are already on the lower side and may be rationalized accordingly. He also insisted that the difference between HTV and LTV needs to be re-determined. The stakeholders, however, provided various proposals to convert the unit of measurement from kilogram to per piece basis. The view point of all participants was heard in detail and considered to arrive at Customs values of subject goods.

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 5. **Method adopted to determine Customs Values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular 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 variation of values displayed in the import data. Moreover, no participant of meeting submitted documentary evidences to prove that their declared value was true transactional value. Hence, requisite information required under law was not available to arrive at the correct transaction value. Therefore, identical / similar goods value method as provided in sub-Sections (5) & (6) of Section 25 *ibid* were examined for applicability to the valuation issue in the instant case but due to wide variations in declarations, this method could not be relied upon exclusively. In line with the statutory sequential order of Section 25, this office conducted a number of inquiries from various markets to arrive at Customs values under sub-Section (7) of Section 25 of the Customs Act, 1969. Finally, reliance had to be made on sub-Section (7) of Section 25 of the Customs Act, 1969 to determine Customs values of Cam Shaft, Crank Shaft, Spark Plugs, Lamps Light Lenses, Sealed Beam and Rubber Parts (Replacement Auto Parts).

6. **Customs Values for Cam Shaft, Crank Shaft, Spark Plugs, Lamps Light Lenses, Sealed Beam and Rubber Parts (Replacement Auto Parts):** Cam Shaft, Crank Shaft, Spark Plugs, Lamps Light Lenses, Sealed Beam and Rubber Parts (Replacement Auto Parts) *hereinafter specified* shall be assessed to duty / taxes at minimum Customs values as per attached **Annexure-A**.

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 and the same may be communicated to this Directorate General forthwith. 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:** This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, 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 the 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 Directorate General immediately. The Customs values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein, HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling requisite formalities relating to importability or 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 of the Customs Act, 1969 or any other law in vogue therein.

11. ***This ruling supersedes Valuation Ruling No.1286/2018 dated 17-04-2018.***


(Shafique Ahmad Latki)
Director

Copy for information to:

1. The Member (Customs, Operations), F.B.R., Islamabad.
2. The Director General, Directorate General of 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. The Chief Collector of Customs, (Enforcement), Custom House, 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 Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for

S.No.	Description of goods	PCT Code	Proposed PCT for WeBOC	Custom Value (C&F) USS/Pc				
				China	Malaysia, Thailand, Indonesia, Korea & Taiwan	Japan	Europe	Other Origins
1	Cam Shaft	8483.1019	8483.1019.1000					
	(i) Three Cylinder			6.20	7.32	8.79	10.56	7.32
	(ii) Four Cylinder			7.79 (Assess not below 3.07/Kg)	9.20 (Assess not below 3.61/Kg)	11.09 (Assess not below 5.25/Kg)	13.33 (Assess not below 5.29/Kg)	9.20 (Assess not below 3.61/Kg)
	(iii) Six Cylinder and above			12.10 (Assess not below 2.83/Kg)	14.16 (Assess not below 3.36/Kg)	17.70 (Assess not below 4.43/Kg)	21.24 (Assess not below 4.72/Kg)	14.16 (Assess not below 3.36/Kg)
2	Crank Shaft	8483.1019	8483.1019.1100					
	(i) Three Cylinder			14.51	17.41	20.95	25.02	17.41
	(ii) Four Cylinder			18.17 (Assess not below 3.07/Kg)	21.77 (Assess not below 3.61/Kg)	26.14 (Assess not below 5.25/Kg)	31.27 (Assess not below 5.29/Kg)	21.77 (Assess not below 3.61/Kg)
	(iii) Six Cylinder and above			27.32 (Assess not below 2.83/Kg)	32.45 (Assess not below 3.36/Kg)	41.24 (Assess not below 4.43/Kg)	49.50 (Assess not below 4.72/Kg)	32.45 (Assess not below 3.36/Kg)
3	Spark Plug	8511.1000	8511.1000.1000					
	(i) Iridium Tipped Spark Plug			4.72	4.78	6.14	7.32	4.78
	(ii) Non-Iridium Carbon Tipped Spark Plug			0.41	0.47	0.59	0.94	0.47
4	Lamps Light Lenses(Front/Back)	8512.2010 8512.2020 8512.2090	8512.2010.1000 8512.2020.1000 8512.2090.1000					
	(a) Single							
	(b) Double							
	(i) Weighing above 1.5 Kgs			(a) 7.79	(a) 8.57	(a) 9.43	(a) 10.25	(a) 8.57
				(b) 11.68	(b) 12.85	(b) 14.23	(b) 15.58	(b) 12.85
	(ii) Weighing above 1 Kg to 1.5 Kg			(a) 2.60	(a) 2.86	(a) 3.14	(a) 3.46	(a) 2.86
				(b) 3.89	(b) 4.28	(b) 4.71	(b) 5.18	(b) 4.28
	(iii) Weighing from 501 grams to 1 Kg			(a) 1.30	(a) 1.43	(a) 1.57	(a) 1.72	(a) 1.43
				(b) 1.56	(b) 1.71	(b) 1.89	(b) 2.07	(b) 1.71
	(iv) Weighing from 251 grams to 500 grams			(a) 0.89	(a) 0.98	(a) 1.06	(a) 1.17	(a) 0.98
				(b) 1.15	(b) 1.26	(b) 1.39	(b) 1.53	(b) 1.26
	(v) Weighing upto 250 grams			(a) 0.52	(a) 0.57	(a) 0.63	(a) 0.68	(a) 0.57
				(b) 0.67	(b) 0.74	(b) 0.81	(b) 0.90	(b) 0.74
5	Sealed Beam	8539.1000	8539.1000.1000					
	(i) 5 inch Round			0.64	0.73	0.80	0.92	0.73
	(ii) 5 inch Square			0.71	0.80	0.92	1.06	0.80
	(iii) 7 inch Round			0.78	0.90	1.01	1.18	0.90
	(iv) 7 inch Square			0.85	0.98	1.12	1.29	0.98
6	Rubber Parts							
	Radiator Hose (LTV/HTV)	4009.1110	4009.1110.1000					
		4009.1120	4009.1120.1000					
	(i) Weighing upto 100 grams	4009.1130	4009.1130.1000					
		4009.2110	4009.2110.1000	0.32	0.38	0.51	0.55	0.38
	(ii) Weighing from 101 grams to 250 grams	4009.2120	4009.2120.1000					
		4009.2130	4009.2130.1000	0.80	0.94	1.27	1.38	0.94
	(iii) Weighing from 251 grams to 500 grams	4009.3110	4009.3110.1000					
		4009.3120	4009.3120.1000	1.60	1.89	2.55	2.75	1.89
	(iv) Weighing from 501 grams to 1 Kg	4009.3130	4009.3130.1000					
		4009.4110	4009.4110.1000	3.20	3.78	5.10	5.51	3.78
	(v) Weighing from 1.1 Kg to 2 Kg	4009.4120	4009.4120.1000					
		4009.4130	4009.4130.1000	6.40	7.55	10.20	11.01	7.55
	(vi) Weighing above 2 Kg			12.80	15.10	20.39	22.02	15.10

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S.No.	Description of goods	PCT Code	Proposed PCT for WeBOC	Custom Value (C&F) USS/Pc				
				China	Malaysia, Thailand, Indonesia, Korea & Taiwan	Japan	Europe	Other Origins
7	Mounting (LTV/HTV)	4009.2130	4009.2130.1000					
	(i) Weighing upto 100 grams	4009.3130	4009.3130.1000	0.33	0.39	0.53	0.57	0.39
		4009.4130	4009.4130.1000					
	(ii) Weighing from 101 grams to 250 grams	4016.9920	4016.9920.1000	0.83	0.98	1.32	1.43	0.98
	(iii) Weighing from 251 grams to 500 grams	4016.9940	4016.9940.1000					
	(iv) Weighing from 501 grams to 1 Kg			1.65	1.95	2.63	2.84	1.95
	(v) Weighing from 1.1 Kg to 2 Kg			3.30	3.89	5.26	5.68	3.89
8	Weather Strip (LTV/HTV)	4008.1110	4008.1110.1000					
	(i) Weighing upto 100 grams	4008.1910	4008.1910.1000					
		4008.2110	4008.2110.1000	0.34	0.40	0.54	0.58	0.40
		4008.2910	4008.2910.1000					
	(ii) Weighing from 101 grams to 250 grams			0.85	1.00	1.35	1.46	1.00
	(iii) Weighing from 251 grams to 500 grams			1.70	2.01	2.71	2.92	2.01
	(iv) Weighing from 501 grams to 1 Kg			3.40	4.01	5.42	5.85	4.01
9	Rubber Oil Seals (LTV/HTV)	4009.2130	4009.2130.1200					
	(i) Weighing upto 10 grams	4009.3130	4009.3130.1200	0.035	0.04	0.06	0.060	0.04
	(ii) Weighing from 11 grams to 30 grams	4009.4130	4009.4130.1200					
		4016.9920	4016.9920.1100	0.11	0.13	0.18	0.19	0.13
	(iii) Weighing from 31 grams to 50 grams	4016.9940	4016.9940.1200					
	(iv) Weighing from 51 grams to 80 grams			0.17	0.20	0.27	0.29	0.20
	(v) Weighing above 80 grams			0.28	0.33	0.45	0.48	0.33
10	Other Rubber Parts (LTV/HTV)	4016.9940	4016.9940.1100					
	(i) Weighing upto 100 grams	8708.9990	8708.9990.1000	0.34	0.40	0.54	0.58	0.40
	(ii) Weighing from 101 grams to 250 grams			0.85	1.00	1.35	1.46	1.00
	(iii) Weighing from 251 grams to 500 grams			1.70	2.01	2.71	2.92	2.01
	(iv) Weighing from 501 grams to 1 Kg			3.40	4.01	5.42	5.85	4.01
	(v) Weighing from 1.1 Kg to 2 Kg			6.80	8.02	10.83	11.70	8.02
	(vi) Weighing above 2 Kg			13.60	16.05	21.66	23.40	16.05

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