

The Collector of Customs, Model Customs Collectorates, Appraisement and Facilitation (East / West) / Port Qasim / Enforcement and Compliance, JIAP, Karachi / (Appraisement and Facilitation / Enforcement and Compliance), MCC AHA Lahore / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Appraisement and Facilitation/ Enforcement and Compliance Peshawar / Gwadar / Gilgit-Baltistan / Exports (Karachi / Port Qasim).

DETERMINATION OF CUSTOMS VALUES OF USED PHOTOCOPIER
MACHINES UNDER PCT HEADING 8443.3100 & 8443.3910
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1443 / 2020)

No. Misc/27/2016-VII/2950

Dated: 05, March, 2020

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Used Photocopier Machines under PCT 8443.3100 & 8443.3910 are determined as follows: -

2. **Background of the valuation issue:** Earlier the customs values of Used Photocopier Machines were determined under section 25-A of the Customs Act, 1969, vide Valuation Ruling No. 913/2016 dated 23-08-2016. Consequent upon issuance of CGO No. 15/2019 dated 17-09-2019, Unit of Measurement (UoM) of Used Photocopier Machines was changed from kilogram to per unit and, accordingly, the unit of measurement was revamped vide Valuation Ruling No. 1413/2019 dated 01-11-2019. The importers filed revision petitions before the Director General Customs Valuation who vide Order-in-Revision No. 23/2019 dated 26-12-2019 set aside the impugned Valuation Ruling with the guidelines to consider issuance of fresh VR in case there are sufficient reasons to believe that phenomenon of group under-invoicing exists in imports of subject item.

3. **Stakeholders' participation in determination of values:** A meeting notice was issued to all the stakeholders for 04-02-2020. Mr. Nadeem Khalid, Director of M/s. Office Automation Group (OAG), Karachi attended the meeting. No one from commercial importers attended the meeting. Neither were any documents submitted as requested vide the meeting notice. The Director, OAG, Karachi, submitted his point of view as well as suggestions regarding determination of customs values of the subject item as under: -


- That used copiers are imported as scrap in Pakistan and it is sold in Pakistan market as refurbished.
- That custom duties on used copiers are imposed on weight basis whereas on brand new copiers its imposed-on speed basis. This is simple discrimination.
- That compare data the used copier imports has increased to 60,000 units per year vs brand new copier dropped to just less than only 2,000 units per year.

- d) That one system must be operated and Government revenue must be saved.

It was accordingly requested to issue Valuation Ruling in such a manner that under invoicing prevalent in import of used photocopier is curtailed.

4. **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 one attended the meeting nor submitted any document in this regard. Hence, requisite information required under law was not available to arrive at the correct transaction value. Therefore, identical / similar goods value methods 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, these methods 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 Used Photocopier Machines.

5. **Customs values for Used Photocopier Machines under PCT (8443.3100 & 8443.3910):** Used Photocopier Machines under PCT 8443.3100 & 8443.3910 *hereinafter specified* shall be assessed to duty / taxes on the following Customs values: -



Sr. No.	Description of goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$ per CPM
1.	Photocopier Machine 16 – 23 Copy Per Minute	8443.3100 8443.3910	8443.3100.1000	All Origins	9
2.	Photocopier Machine 24 – 29 Copy Per Minute	8443.3100 8443.3910	8443.3100.1000	All Origins	14
3.	Photocopier Machine 30 – 36 Copy Per Minute	8443.3100 8443.3910	8443.3100.1000	All Origins	18
4.	Photocopier Machine 37 – 49 Copy Per Minute	8443.3100 8443.3910	8443.3100.1000	All Origins	21
5.	Photocopier Machine 50 – 60 Copy Per Minute	8443.3100 8443.3910	8443.3100.1000	All Origins	26
6.	Photocopier Machine 61 – 85 Copy Per Minute	8443.3100 8443.3910	8443.3100.1000	All Origins	29
7.	Photocopier Machine 86 & above Copy Per Minute	8443.3100 8443.3910	8443.3100.1000	All Origins	34

6. In cases where declared / transaction values are higher than the Customs value determined in this Ruling or higher evidential data is available of stipulated period 90 days, the assessing officer 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 determined in this Ruling.

7. **Validity of this Valuation Ruling:** The value 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.

8. **Review of the value determined vide this Valuation Ruling:** A review 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, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

9. 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.


(Shafique Ahmed Latki)
Director

Copy for information to:

1. The Member (Customs-Operations/Policy), Federal Board of Revenue, Islamabad.
2. The Director General, Directorate 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. The Chief Collector of Customs, Custom House, Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, Post Clearance Audit (PCA) & Internal Audit, Karachi.
10. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad / Gwadar.
11. The Director, Directorate General of Customs, Valuation Custom House, Lahore.
12. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
13. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
14. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
15. The Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
16. The Karachi Customs Agents Group, Bohri Road, Karachi.
17. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi.
18. The Webmaster, Federal Board of Revenue, Islamabad.