



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI

The Collectors of Customs, Collectorate of Customs, (Appraisement - West / Appraisement - East / Appraisement - Port Muhammad Bin Qasim / Enforcement JIAP / Export / Export PMBQ), Karachi / / Hyderabad / (Appraisement / Enforcement), Quetta / Gawadar / (Appraisement / Enforcement / AIIA), Lahore / Appraisement, Faisalabad / Appraisement Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Giligit - Baltistan / (Appraisement Enforcement), Peshawar / Enforcement, Dera Ismail Khan.

**DETERMINATION OF CUSTOMS VALUES OF RIDE-ON TOYS UNDER
SECTION 25A OF THE CUSTOMS ACT, 1969.**

(VALUATION RULING NO. 1892 /2024)

No. Reg. Mis/01/2007-IX/610

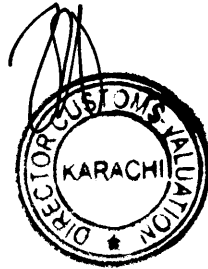
Dated: 12-06-2024

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Ride-on Toy cars/bikes are determined as follows:

2. **Background of the valuation issue:** Earlier, the Customs values of Ride-on Toy cars/bikes were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1703/2022 dated 07-12-2022. However, different stakeholders requested to re-determine Customs values afresh in line with values prevalent in the international market. Therefore, an exercise has been undertaken by this Directorate to determine the same.

3. **Stakeholders' participation in determination of Customs values:** Meetings were convened on 29-04-2024 & 21-05-2024 which were attended by all the relevant stakeholders. The issues pertaining to the valuation of the subject goods were deliberated upon in detail in the afore-referred meeting. The stakeholders submitted their proposals and the same were considered pertaining to the valuation of subject goods. The importers contended that the customs values of Ride-on Toy cars/bikes determined vide Valuation ruling No. 1703/2022 dated 07-12-2022 are higher and the same need to be revised according to prevailing international prices. M/s Mehnas Enterprises contested that bumper cars are specified under PCT heading 9508.2300 (UOM is per unit). These cars are used in amusement parks and cannot be termed as toy. Their weight is normally between 100 to 200 kgs and assessment made on the basis of Kgs as per impugned VR has resulted in exorbitantly high amount of duty and taxes equal to duties payable on 800 cc vehicle. Weight of their car is normally between 100 to 200 Kg and on various websites their prices range between US\$ 600 to 800 per unit/ Piece. M/s Farsha Traders requested that after issuance of impugned VR No 1703/2022, their import had reduced to zero and requested for rationalization and re-determination of customs value of Ride-on Toys, so that they could begin import of the same. M/s Farsha Traders also submitted suggested customs values in tabulated form of major articles imported by them on the basis of actual values of the constitution parts / materials.

4. **Analysis / Exercise done to determine Customs Values:** The aspect of freight cost from China was checked through websites as well as freight invoices issued for impugned goods imported from China. The analysis showed that increase in freight cost occurred during the last 2 to 3 years. Moreover, quantity of toys imported has declined by 31% after issuance

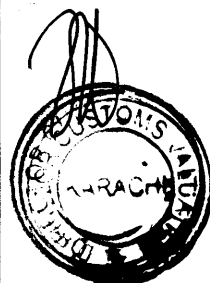


of VR No.1703/2022 dated 07-12-2022. Import data analysis shows that increase in import volume & duty /taxes is negligible. Subsequently, market inquiry has been conducted and examined in the light of this Directorate's Office Order No.17/2014 dated 19-03-2014 and in terms of Section 25 (7) read with Section 25(9) of the Customs Act, 1969, which supported the stance of the stakeholders that value of Ride-on Toys has reduced considerably.

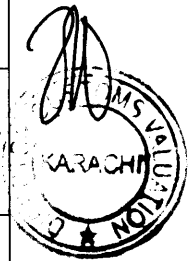
5. **Method (s) adopted to determine Customs values:** Valuation methods specified in Section 25 of the Customs Act, 1969, were duly applied in sequential order to arrive at the Customs values of subject goods. The transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable due to absence of information as required under sub-section (2) of Section 25 of Customs Act, 1969. Therefore, identical goods value method provided in Section 25(5) was examined for applicability to determine Customs values of subject goods. The data provided some reference; however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidences of quantities and qualities. Information available was, hence, found incomplete. Subsequently, similar goods value method provided in Section 25(6) was examined for applicability to determine Customs value of subject goods. However, Declared Values of similar goods had shown consistent variations. Hence, this method was also found inapplicable. Market enquiry as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969 was also conducted but could only yield results to some extent because of variations in market prices. In line with statutory sequential order of section 25, Computed value method, as provided in Section 25(8) of the Customs Act, 1969 was examined, but the same also could not be applied as the conversion cost from the constituent materials and allied expenses, in the country of export, were not available for manufacturing of Ride-on Toy cars/bikes. Finally, the Customs values of the subject goods have been determined under Section 25(9), read with Section 25(7), and Customs Rule 121(2) of Customs Rules, 2001 which provides that the methods of valuation, to be employed under sub-section (9) of section 25 of the Customs Act, 1969 may be inclusive of those laid down in sub-sections (1), (5), (6), (7) and (8) of the said section, but a reasonable flexibility in the application of such methods would be in conformity with the aims and provisions of sub-section (9) of that section.

6. **Customs values of Ride-on Toys cars/bikes:** Ride-on Toy cars/bikes hereinafter specified, shall be assessed to duty / taxes at the Customs values as per the following table:-

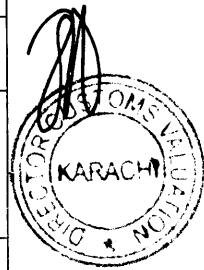
Sr. No	Description of Goods	Category	Specifications	PCT	Proposed PCT for WeBOC	Origin	Custom Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Toys	Ride-On Toys	Simple Pedal Type / Push Type	9503.0010	9503.0010.1000	China	1.99
				9503.0090	9503.0090.1000		
			Simple Pedal Type / Push Type (Branded)	9503.0010	9503.0010.1100	Other Origins	4.15
				9503.0090	9503.0090.1100		
Swing Type	9503.0010	9503.0010.1200	All origins	6.64			
	9503.0090	9503.0090.1200					
				9503.0010	9503.0010.1300	China	9.35
				9503.0090	9503.0090.1300		



Sr. No	Description of Goods	Category	Specifications	PCT	Proposed PCT for WeBOC	Origin	Custom Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
				9503.0010 9503.0090	9503.0010.1400 9503.0090.1400	Other Origins	18.70
			Swing Type (Branded)	9503.0010 9503.0090	9503.0010.1500 9503.0090.1500	All origins	27.20
			Tricycles	9503.0010 9503.0090	9503.0010.1600 9503.0090.1600	China	2.38
				9503.0010 9503.0090	9503.0010.1700 9503.0090.1700	Other Origins	4.68
			Tricycles (Branded)	9503.0010 9503.0090	9503.0010.1800 9503.0090.1800	All origins	6.80
			Battery Operated / Electric Scooters	9503.0010 9503.0090	9503.0010.1900 9503.0090.1900	China	3.74
				9503.0010 9503.0090	9503.0010.2000 9503.0090.2000	Other Origins	4.23
			Battery Operated / Electric Scooters (Branded)	9503.0010 9503.0090	9503.0010.2100 9503.0090.2100	All origins	11.62
			Battery Operated / Electric Hover Boards / Self balancing scooter	9503.0010 9503.0090	9503.0010.2200 9503.0090.2200	China	9.80
				9503.0010 9503.0090	9503.0010.2300 9503.0090.2300	Other Origins	13.65
			Battery Operated / Electric Hover Boards / Self balancing scooter (Branded)	9503.0010 9503.0090	9503.0010.2400 9503.0090.2400	All origins	25.20
			Battery Operated / Electric Cars	9503.0010 9503.0090	9503.0010.2500 9503.0090.2500	China	3.65
				9503.0010 9503.0090	9503.0010.2600 9503.0090.2600	Other Origins	5.81
			Battery Operated / Electric Cars (Branded)	9503.0010 9503.0090	9503.0010.2700 9503.0090.2700	All origins	9.96
			Battery Operated / Electric Heavy Bikes	9503.0010 9503.0090	9503.0010.2800 9503.0090.2800	China	25.50
				9503.0010 9503.0090	9503.0010.2900 9503.0090.2900	Other Origins	42.50



Sr. No	Description of Goods	Category	Specifications	PCT	Proposed PCT for WeBOC	Origin	Custom Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
			Battery Operated / Electric Heavy Bikes (Branded)	9503.0010 9503.0090	9503.0010.3000 9503.0090.3000	All origins	68.00
			Battery Operated / Electric Heavy Cars	9503.0010 9503.0090	9503.0010.3100 9503.0090.3100	China	46.75
				9503.0010 9503.0090	9503.0010.3200 9503.0090.3200	Other Origins	68.00
			Battery Operated / Electric Heavy Cars (Branded)	9503.0010 9503.0090	9503.0010.3300 9503.0090.3300	All origins	127.50
			Bumper Cars	9503.0010 9503.0090	9503.0010.3400 9503.0090.3400	China	4.70
				9503.0010 9503.0090	9503.0010.3500 9503.0090.3500	Other Origins	8.00
			Battery Operated Ride-on Car / Bike Body only	9503.0010 9503.0090	9503.0010.3600 9503.0090.3600	Respective origins	70 % of complete unit value
			Battery Operated Ride-on Car / Bike Body with seat	9503.0010 9503.0090	9503.0010.3700 9503.0090.3700	Respective origins	75% of complete unit value
			Battery Operated Ride-on Car / Bike Body with seats and wheels	9503.0010 9503.0090	9503.0010.3800 9503.0090.3800	Respective origins	80% of complete unit value
			Battery Operated Ride-on Car / Bike Body with seats, wheels and steering wheel	9503.0010 9503.0090	9503.0010.3900 9503.0090.3900	Respective origins	85% of complete unit value
			Battery Operated Ride-on Car / Bike (CKD Condition)	9503.0010 9503.0090	9503.0010.4000 9503.0090.4000	Respective origins	90% of complete unit value



7. In cases, where declared 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 officers shall take into account the difference between air freight and sea freight while applying the Customs values in this Ruling.

8. **Validity of this Valuation Ruling:** This Ruling, containing the Customs values for assessment of subject imported goods, shall be applicable until and unless the same is rescinded or revised by the competent authority in terms of sub-section (4) of Section 25A of the Customs Act, 1969.

9. **Revision of the values determined vide this Valuation Ruling:** If aggrieved, a revision petition may be filed against this ruling as provided under Section 25D of the Customs Act, 1969, within 30 days from the date of its issuance, 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 are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. Customs values determined in the Ruling are for the description and specification as mentioned in the table above of this Ruling. PCT Codes are mentioned for illustrative purposes so that values in Valuation Rulings 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 the Valuation Ruling No. 1703/2022 dated 07-12-2022.***



(Fayaz Rasool Maken)
Director

Copy for information to: -

- 1) The Member Customs (Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, Appraisalment (South), Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisalment (Central), Custom House, Lahore.
- 6) The Chief Collector of Customs, Enforcement (Central), Custom House, Lahore.
- 7) The Chief Collector of Customs (North), Custom House, Islamabad.
- 8) The Chief Collector of Customs, Baluchistan, Custom House, Quetta.
- 9) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 10) The Director General, Intelligence and Investigation (Customs), FBR, Islamabad.
- 11) The Director General, PCA & Internal Audit, Karachi.
- 12) The Director General, IOCO, Karachi
- 13) The Director, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.

- 14) The Director, Transit Trade, Custom House Karachi
- 15) The Director, Directorate of Customs Valuation, Lahore/Quetta/Peshawar.
- 16) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in WeBOC database system.
- 17) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 18) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 19) The Karachi Customs Agents Association (KCAA), Bohri Road, Karachi.
- 20) The Webmaster, Federal Board of Revenue, Islamabad.
- 21) Guard File.