

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

**DETERMINATION OF CUSTOMS VALUES OF TRACTOR PARTS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.**

**(VALUATION RULING NO. 1565/2021)**

No.Misc/25/2008/-VIII (Part-4) / 946

Dated: 17 -11-2021

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of tractor parts are determined as follows:



2. **Background of the valuation issue:** Earlier the custom value of tractor parts were determined under section 25A of the Customs Act, 1969 vide Valuation Ruling 1507/2021 dated 04.01.2021. Being aggrieved by this valuation ruling, revision petition was filed by various importers/ traders under section 25D of the Customs Act, 1969 before Director General of Customs Valuation. The competent authority vide Order-in-Revision No. 13/2021 dated 24.03.2021, upheld the valuation ruling and revision petitions were rejected accordingly. However, on September 4, 2021 representation was received from Lahore Chamber of Commerce & Industry on the request of importers, wherein they have submitted that the values in the previous Valuation Ruling were calculated on "average weight", whereas the same should be calculated on the "actual weight" of the cylinders. Accordingly, an exercise was initiated to re-determine the customs values of tractor parts under Section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meeting with all stakeholders, trade bodies including representatives of clearance Collectorates were held in this Directorate General on 22-09-2021. The importers/stakeholders were requested to submit their proposals/suggestions as well as following documents before or during the course of stakeholders' meeting so that Customs values could be determined:


- i. Invoices of import during last three months showing factual values
- 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 that the benefit of difference in price is passed on to the local buyers.

4. The meeting was attended by importers and stakeholders and their point of view were heard in detail to arrive at custom values of subject goods. The stakeholders claimed that their

declared values were true transactional values and may be accepted as such. The stakeholders also submitted their proposal regarding values of tractor parts but failed to substantiate said values with documentary evidences. Moreover, they also suggested to value their product on the actual weight after deducting tare weight of packaging. A market survey was recorded and weighing of items and packaging was done accordingly. The importers also referred to para 17<sup>th</sup> of impugned Order-in-Revision No. 13/2021 dated 24.03.2021 that “*a caveat/check has been put in place in the impugned valuation ruling so that manipulation in weight may be curbed and revenue of the state be secured by all possible means*” which was claimed on the basis of an uncorroborated assertion made by the D.R during the review proceedings of which no evidence was presented against the importers. Therefore, this caveat check being inappropriate and unfounded may be excluded/adjusted and Valuation Ruling may reflect the tariff units of measurement i.e. per piece basis after ascertaining actual weight of each items.

5. **Methods 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 value of subject goods. The Transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable because no substantial documents were provided by the stakeholders to prove that their declared values were true transactional values. Moreover, different values were declared by different importers for the same product according to different origins/specifications. Identical/similar goods value methods provided in Sections 25 (5) & (6) *ibid* were examined for applicability to determine customs values of subject goods. The data provided some references; but due to wide variations in declarations; varieties and specifications, the same could not be relied upon exclusively. In line with statutory sequential order of section 25, this office conducted various market inquiries 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 custom values of Tractor Parts.

6. **Customs values for Tractor Parts** -Customs values for Tractor Parts *hereinafter* specified shall be assessed to duty/taxes on the following minimum customs values given against them in the Table below:-



S. #	Description of goods		PCT Code	Proposed PCT to WeBoc	Customs Value C&F in US\$ per piece			
					(5)	(6)	(7)	
(1)	(2)		(3)	(4)	(5)	(6)	(7)	
1	Piston with Pin and Circlip (Per piece of Single Cylinder)	3 Cylinders	Type	8409.9910	8409.9910.1000	China	Turkey	Other Origin
			Brand					
			Massey			2.98	3.16	3.30
		Fiat	4.09			4.34	4.54	
		Ford	5.00			5.30	5.55	
		4 Cylinders	Massey			4.06	4.30	4.50
	Fiat		3.58			3.80	3.97	
	Ford		5.00			5.30	5.55	
	2	Piston without Pin and Circlip (Per piece of Single Cylinder)	3 Cylinders			Massey	8409.9910	8409.9910.1100
Fiat				3.14	3.33	3.49		
Ford				4.22	4.47	4.68		
4 Cylinders			Massey	3.36	3.56	3.73		
			Fiat	3.36	3.56	3.73		
			Ford	4.22	4.47	4.68		

			Belarus			4.47	4.73	4.96
3	Ring Set (Single Cylinder)	3 Cylinders	Massey	8409.9910	8409.9910.1200	0.43	0.46	0.48
			Fiat			0.40	0.424	0.44
			Ford			0.80	0.85	0.89
		4 Cylinders	Massey			0.43	0.46	0.48
			Fiat			0.40	0.42	0.44
			Ford			0.80	0.85	0.89
			Belarus			0.87	0.92	0.97
4	Cylinder/ Engine Block	3 Cylinders	Massey	8409.9910	8409.9910.1300	102.66	108.12	114.00
			Fiat			104.40	110.24	115.88
			Ford			108.75	114.48	120.71
		4 Cylinders	Massey			181.25	192.13	201.19
			Fiat			127.89	135.56	142.00
			Ford			130.50	138.33	144.85
			Belarus			155.59	164.92	172.70
5	Cylinder Head	3 Cylinders	Massey	8409.9910	8409.9910.1400	28.65	30.37	31.80
			Fiat			40.98	43.44	45.49
			Ford			42.39	44.93	47.05
		4 Cylinders	Massey			48.64	51.55	54.00
			Fiat			52.44	55.59	58.21
			Ford			47.10	50.00	52.28
			Belarus			72.38	76.723	80.34
6	Cylinder Liner / Sleeves (Per piece of one Cylinder)	3 Cylinders	Massey	8409.9910	8409.9910.1500	1.50	1.59	1.67
			Fiat			1.78	1.89	1.98
			Ford			2.94	3.12	3.26
		4 Cylinders	Massey			2.28	2.41	2.53
			Fiat			1.78	1.89	1.98
			Ford			2.94	3.12	3.26
			Belarus			9.58	10.15	10.63
7	Inlet & Exhaust Valve (Per Set of 6 Pieces)	3 Cylinders	Massey	8409.9920	8409.9920.1000	1.13	1.19	1.25
			Fiat			1.54	1.63	1.70
			Ford			2.18	2.31	2.42
8	Inlet & Exhaust Valve (Per Set of 8 Pieces)	4 Cylinders	Massey	8409.9920	8409.9920.1000	2.32	2.46	2.58
			Fiat			2.06	2.18	2.29
			Ford			2.90	3.07	3.22
			Belarus			3.48	3.69	3.86
9	Connecting Rod & Cap	3 Cylinders	Massey	8409.9920	8409.9920.1100	3.61	3.82	4.00
			Fiat			4.80	5.08	5.33
			Ford			5.07	5.37	5.63
		4 Cylinders	Massey			4.71	4.98	5.22
			Fiat			4.80	5.08	5.33
			Ford			5.07	5.37	5.63
			Belarus			8.28	8.78	9.19
10	Tappet	3 Cylinders	Massey	8409.9920	8409.9920.1200	0.55	0.58	0.61
			Fiat			0.29	0.31	0.32
			Ford			0.32	0.34	0.36
		4 Cylinders	Massey			0.56	0.59	0.62
			Fiat			0.29	0.31	0.32
			Ford			0.32	0.34	0.36

			Belarus			0.68	0.72	0.755
11	Push Rod	3 Cylinders	Massey	8409.9920	8409.9920.1300	0.27	0.29	0.30
			Fiat			0.27	0.29	0.30
			Ford			0.27	0.29	0.30
		4 Cylinders	Massey			0.32	0.34	0.36
			Fiat			0.27	0.29	0.30
			Ford			0.27	0.29	0.30
12	Rocker Arm	3 Cylinders	Massey	8409.9920	8409.9920.1400	0.41	0.43	0.46
			Fiat			0.44	0.47	0.49
			Ford			0.39	0.41	0.43
		4 Cylinders	Massey			0.74	0.78	0.82
			Fiat			0.44	0.47	0.49
			Ford			0.39	0.41	0.43
13	Rear End Housing (Differential Housing)	3 Cylinders	Massey	8409.9920	8409.9920.1500	231.44	245.33	256.90
			Fiat			216.70	229.00	240.53
			Ford			220.00	233.20	244.20
		4 Cylinders	Massey			231.44	245.33	256.90
			Fiat			216.70	229.00	240.53
			Ford			220.00	233.20	244.20
14	Fuel Pump/ Fuel Lift Pump	3 Cylinders	Massey	8413.3020	8413.3020.1000	1.07	1.13	1.18
			Fiat			1.27	1.34	1.41
			Ford			1.74	1.84	1.93
		4 Cylinders	Massey			1.15	1.22	1.28
			Fiat			1.27	1.34	1.41
			Ford			1.74	1.84	1.93
15	Fuel Injection Pump	3 Cylinders	Massey	8414.3020	8414.3020.1000	22.79	24.15	25.30
			Fiat			23.21	24.60	25.76
			Ford			24.90	26.39	27.64
		4 Cylinders	Massey			23.55	25.00	26.14
			Fiat			24.90	26.39	27.64
			Ford			24.90	26.39	27.64
16	Oil Pump	3 Cylinders	Massey	8415.3020	8415.3020.1000	4.94	5.24	5.48
			Fiat			4.30	4.56	4.77
			Ford			7.25	7.68	8.05
		4 Cylinders	Massey			6.68	7.08	7.41
			Fiat			4.30	4.56	4.77
			Ford			7.25	7.68	8.05
17	Water Pump Assembly	3 Cylinders	Massey	8416.3020	8416.3020.1000	9.16	9.70	10.16
			Fiat			11.07	11.73	12.29
			Ford			18.08	19.16	20.07
		4 Cylinders	Massey			9.79	10.37	10.87
			Fiat			11.07	11.73	12.28
			Ford			18.08	19.16	20.07

			Belarus			16.39	17.37	18.19
18	Main Shaft	3 Cylinders	Massey	8483.1011	8483.1011.1000	7.47	7.92	8.29
			Fiat			4.26	4.51	4.66
			Ford			4.63	4.90	5.14
		4 Cylinders	Massey			8.18	8.67	9.07
			Fiat			4.26	4.51	4.66
			Ford			4.63	4.90	5.14
			Belarus			6.80	7.21	7.55
19	Counter Shaft	3 Cylinders	Massey	8484.1011	8484.1011.1000	5.03	5.33	5.58
			Fiat			2.93	3.10	3.25
			Ford			4.26	4.51	4.73
		4 Cylinders	Massey			5.03	5.33	5.58
			Fiat			2.93	3.10	3.25
			Ford			4.26	4.51	4.73
			Belarus			7.00	7.42	7.77
20	Cam Shaft	3 Cylinders	Massey	8485.1011	8485.1011.1000	7.21	7.64	8.00
			Fiat			6.24	6.61	6.93
			Ford			10.11	10.71	11.22
		4 Cylinders	Massey			8.32	8.82	9.24
			Fiat			8.77	9.30	9.73
			Ford			11.61	12.31	12.89
			Belarus			9.60	10.18	10.66
21	Crown Wheel & Pinion	3 Cylinders	Massey	8486.1011	8486.1011.1000	25.57	27.10	28.38
			Fiat			13.79	14.61	15.31
			Ford			31.54	33.43	35.00
		4 Cylinders	Massey			32.00	33.92	35.52
			Fiat			13.60	14.61	15.31
			Ford			31.54	33.43	35.00
			Belarus			17.62	18.68	19.56
22	Crank Shaft Assembly	3 Cylinders	Massey	8483.1019	8483.1019.1000	34.47	36.53	38.26
			Fiat			46.27	49.00	51.36
			Ford			61.47	65.16	68.23
		4 Cylinders	Massey			49.53	52.50	55.00
			Fiat			57.67	61.13	64.00
			Ford			72.87	77.24	80.88
			Belarus			73.25	77.63	81.30
23	Head Gasket per piece	3 Cylinders	Massey	8484.1021	8484.1021.1000	0.24	0.254	0.266
			Fiat			0.40	0.42	0.44
			Ford			0.36	0.38	0.40
		4 Cylinders	Massey			0.47	0.50	0.52
			Fiat			0.50	0.53	0.555
			Ford			0.47	0.50	0.52
			Belarus			0.44	0.47	0.49
24	Clutch Plate 10"-12"	3 Cylinders	Massey	8708.9310	8708.9310.1000	4.49	4.76	4.98
			Fiat			3.31	3.50	3.67
			Ford			3.63	3.84	4.03
		4 Cylinders	Massey			4.49	4.76	4.98
			Fiat			3.31	3.50	3.67
			Ford			3.63	3.84	4.03

			Belarus			8.93	9.46	9.91
25	Spindle Bush	3 Cylinders	Massey	8483.3010	8483.3010.1000	0.10	0.106	0.111
			Fiat			0.17	0.180	0.19
			Ford			0.10	0.106	0.111
		4 Cylinders	Massey			0.28	0.297	0.31
			Fiat			0.17	0.180	0.19
			Ford			0.10	0.106	0.11
			Belarus			0.10	0.106	0.111
26	Arm Bush	3 Cylinders	Massey	8483.3010	8483.3010.1100	0.46	0.49	0.51
			Fiat			0.22	0.23	0.24
			Ford			0.22	0.23	0.24
		4 Cylinders	Massey			0.46	0.49	0.51
			Fiat			0.22	0.23	0.24
			Ford			0.22	0.23	0.24
			Belarus			0.22	0.23	0.24
27	Timing Gear	3 Cylinders	Massey	8483.1019	8483.1019.1000	6.02	6.38	6.68
			Fiat			3.09	3.28	3.64
			Ford			4.12	4.37	4.57
		4 Cylinders	Massey			4.53	4.80	5.03
			Fiat			3.09	3.28	3.43
			Ford			4.12	4.37	4.57
			Belarus			2.47	2.62	2.74
28	PTO Plate 10"	3/4 Cylinders	Massey	8708.9310	8708.9310.1200	3.15	3.34	3.50
			Fiat			3.57	3.78	3.96
			Ford			3.78	4.00	4.20
			Belarus			3.89	4.12	4.32

**Note:- For items mentioned against serial No.3, 7 and 8 the respective prices specified at column 5 are per set.**

7. In cases where declared/transaction values are higher than the customs values determined in this Ruling or higher evidential data is available of stipulated period 90 days, 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 consignment imported by air, the assessing officer shall take into account the difference between air freight and sea freight while applying the customs values determined in this Ruling.

**8. Validity of Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs values 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, 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 Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the above table of this Ruling. HS Codes are mentioned for illustrative purpose 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. 1507/2021 dated 04-01-2021 and 1562/2021 dated 15-11-2021.*

S.   
(Syed Fawad Ali Shah)  
Director

Copy for information to: -

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