



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

Determination of Customs Values of Alloy Wheel Rims for Motor Cycle under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1581 / 2021)

No. Misc/03/2021-VIII 11085

Dated: 14 -12-2021



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, Customs values of alloy wheel rims for motor cycle are determined as follows:

2. **Background of the Valuation Issue:** While conducting an exercise on potential under valuation of various commodities, this Directorate General noted clearance of motor cycle rims on low values. In the meanwhile, representation was received from M/s. Pak Precise Engineering (Private) Limited, Lahore through the Board vide letter C.No.1 (13)Tar-III/2016 dated 26-02-2021, requesting to determine the value of alloy wheel rims for motor cycle which are being cleared on low values. Therefore, an exercise was initiated in this Directorate General for the determination of the customs values.

3. **Stakeholders' participation in determination of values:** Meetings were scheduled and held on 16-03-2021, 30-03-2021 and 01-12-2021 which were attended by the different stakeholders. The participants were requested to submit following documents before or during the course of meeting 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 that the benefit of difference in price is passed on to the local buyers.

4. The importers during the meeting were of the view of that the prices of the subject commodity have not been increased in the international market. However, importers did not submit import invoices/sales tax invoices, representative samples, evidences and other relevant requisite import documents in support of their contentions. They requested that they may be allowed some time to furnish evidences and other documents in support of their contentions but later abstained from submitting any such documents. However, M/s. Pak Precise Engineering (Private) Limited, Lahore submitted relevant documents in respect of the subject goods which were examined in the light of prevailing trend in the local market.

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 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 method as provided in sub-Sections (5) & (6) of Section 25 *ibid* were examined for applicability to the valuation issue in the instant case. The same provided some reference values but could not be exclusively and solely relied upon. In line with the statutory sequential order of Section 25, this office conducted a number of inquiries under Sub-section (7) of Section 25 of the Customs Act, 1969, however, this method could not exclusively relied upon. Therefore, valuation method *vide* Section 25 (8) was examined for valuation but the same also could not be applied as conversion cost from the constituent material and allied expenses, at the country of export were not available for manufacturing of the subject goods. Finally, clearance data, market information and international prices through internet were examined thoroughly and information so gathered were utilized and analyzed for determination of customs values of the subject goods under Section (9) of Section 25 of the Customs Act, 1969.

5. **Customs Values for Alloy Wheel Rims for Motor Cycle:** Alloy Wheel Rims for Motor Cycle *hereinafter specified* shall be assessed to duty / taxes at the following minimum Customs values:-

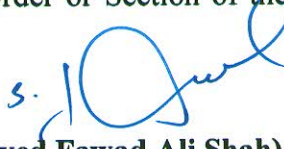
S.No.	Description	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$/Pc
(1)	(2)	(3)	(4)	(5)	(6)
1.	Alloy Wheel Rim for Motor Cycle 17 inch	8708.7010	8708.7010.1000	China	10.86
		8708.7020	8708.7020.1000		
		8714.1020	8714.1020.1000		
2.	Alloy Wheel Rim for Motor Cycle 18 inch	8708.7010	8708.7010.1100	Other Origins	14.12
		8708.7020	8708.7020.1100		
		8714.1020	8714.1020.1100		
2.	Alloy Wheel Rim for Motor Cycle 18 inch	8708.7010	8708.7010.1200	China	14.32
		8708.7020	8708.7020.1200		
		8714.1020	8714.1020.1200		
2.	Alloy Wheel Rim for Motor Cycle 18 inch	8708.7010	8708.7010.1300	Other Origins	18.61
		8708.7020	8708.7020.1300		
		8714.1020	8714.1020.1300		

6. 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.

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. **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.

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.


(Syed Fawad Ali Shah)
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, Lahore.
13. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. The Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. The Karachi Customs Agents Group, Bohri Road, Karachi.
18. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi.
19. The Webmaster, Federal Board of Revenue, Islamabad.