

The Collectors of Customs, Collectorate of Customs, (Appraisalment -West / Appraisalment -East / Appraisalment - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi /Hyderabad / (Appraisalment / Enforcement), Quetta / Gawadar / (Appraisalment / Enforcement / AIIA), Lahore / Appraisalment, Faisalabad / Appraisalment, Sambrial (Sialkot)/ Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisalment / Enforcement), Peshawar / Enforcement, Dera Ismail Khan/Exports (Karachi /Port Qasim) / Transit Trade (Karachi).

**DETERMINATION OF CUSTOMS VALUES OF ASSORTED CUTTING BLADES
AND PARTS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.**

(VALUATION RULING NO. ¹⁶⁹⁶ /2022)

C. No. Misc/05/2022-VI/1212.

Dated: 24-11-2022

In exercise of the powers conferred under section 25A of the Customs Act, 1969, Customs values of Assorted Cutting Blades and Parts are determined as follows:

2- **Background of the valuation issue:** An information was received in the Directorate General of Customs valuation that different cutting blades for Stone, Diamond and wood cutting are being cleared at the import stage as iron & steel products. Representative samples were retrieved from the market and, on seeing the samples, it was noticed that cutting blades are made up of different sizes and composition. The assessed values were not reflective of prevailing prices in international market; therefore, an exercise was undertaken by the Directorate to determine the customs value under Section 25A of the Customs Act, 1969.

3- **Stakeholders' participation in determination of Customs value:** Meetings were convened on 09-06-2022, 21-10-2022 & 15-11-2022 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 meetings.

4- **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly followed and applied sequentially to address the valuation issue at hand. Transaction value method provided in Sub-Section (1) of Section 25 was found inapplicable because of non-submission of requested documents by the importers of the impugned goods and also because of wide variations in declared values. Identical / similar goods value method provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to determine Customs value of subject goods. This data provided some references; however, it was found that the same cannot be solely relied upon due to variation in quality and non-declaration of the grade/technical number on the Goods Declarations (GDs). In line with sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969. The said survey result could not be solely relied upon for determination of values of subject goods because of wide variation of retail sale prices which provided a wide range. Valuation method provided vide Section 25 (8) of Customs Act, 1969 also provided reference values of



well as internationally. Finally, import data, prices of raw materials, market information and the prevailing international prices were examined thoroughly and the information so gathered was utilized and analyzed for determination of Customs Value of the subject good under Section 25(5) read with Section 25(9) of the Customs Act, 1969.

5- **Customs value for Assorted Cutting Blades and Parts – hereinafter specified** shall be assessed to duty/taxes at the following Customs Values: -

S. No.	Description of Goods	PCT Code	Proposed PCT Code for WEOC	Origin	Customs Value US\$/KG (C&F)
(1)	(2)	(3)	(4)	(5)	(6)
1	Cutting blade with metallized tips/ segments which are technically called diamond tips (for Marble/ Stone cutting)	8202.3100 8202.3900 8202.9990	8202.3100.1000 8202.3900.1000 8202.9990.1000	China	8.62
			8202.3100.1100 8202.3900.1100 8202.9990.1100	Other Origins	11.21
8202.3100.1200 8202.3900.1200 8202.9990.1200	China		1.37		
8202.3100.1300 8202.3900.1300 8202.9990.1300	Other Origins		1.78		
8202.3100.1400 8202.3900.1400 8202.9990.1400	China		49.53		
8202.3100.1500 8202.3900.1500 8202.9990.1500	Other Origins		64.40		
8202.3100.1600 8202.3900.1600 8202.9990.1600	China		1.37		
8202.3100.1700 8202.3900.1700 8202.9990.1700	Other Origins		1.78		
2	Cutting blade with sharp teeth/edges (for wood/ meat cutting)				
3	Metallized tips/segments (which are technically called diamond tips)				
4	Cutting blade without metallized tips/ segments which are technically called diamond tips (for Marble/ Stone cutting)				



6- 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 officer shall take into account the difference between air freight and sea freight while applying the Customs values determined in this Ruling.

7- **Validity of this 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-Section (4) of Section 25A 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 25D 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 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 this Directorate immediately. The Customs values determined in the ruling are for the description and specification as mentioned in **Para-5**. PCT Codes are mentioned for illustrative purposes 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 all formalities relating to importability or any other certifications required thereon.


(Fayaz Rasool Maken)
Director

Copy for information to:

- 1) The Member Customs (Operations/ Policy), Federal Board of Revenue, Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, Appraisal (South), Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisal (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, Balochistan, Custom House, Quetta.
- 9) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 10) The Director General, Intelligence and Investigation-FBR, Islamabad.
- 11) The Director General, PCA & Internal Audit, Karachi.
- 12) The Director General, IOCO, Lahore
- 13) The Director General, Transit Trade, Custom House Karachi
- 14) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 15) The Director, Directorate of Customs Valuation, Lahore / Quetta/ Peshawar.
- 16) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & 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, Bohri Road, Karachi.
- 20) The Webmaster, Federal Board of Revenue, Islamabad.
- 21) Guard File.