

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

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**The Collectors of Customs**, Model Customs Collectorates, Appraisement (East / West) / Port Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Peshawar / Gawadar / Gilgit-Baltistan.

**Determination of Customs Values (HS Code 8481.1000, 8481.2000, 8481.3000, & 8481.4000)**  
**Under Section 25-A of the Customs Act, 1969**

**(VALUATION RULING No. 907/2016)**

No. Misc/13/2014-VII/9231

Dated: 12-08-2016

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

**2. Background of the valuation issue:** The Customs values of valves were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No. 602/2013 dated 31-10-2013, which was set aside by Honourable Customs Appellate Tribunal, Lahore vide Order in Customs Appeal No. 392/LB/2013 dated 24-10-2014. A reference against this Appellate order has been filed before Honorable Lahore High Court. As there has been no bar placed on redetermination of Customs values afresh an exercise to determine customs values of Valves was initiated by this Directorate General.

**3. Stakeholders' participation in determination of Customs values:** A stakeholders' meeting for the determination of customs values was scheduled on 31-05-2016. The stakeholders had been requested to submit the following documents before or during the meeting.

- A. Invoices of imports during last three months showing factual value.
- B. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- C. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- D. 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.

No documents were submitted in this Directorate General on or even after the said scheduled meetings. The meeting was attended by the importers, representatives of Pakistan HVACR Importer & Traders Association, and officers from field formations.

4. During the course of meeting, the importers contended that the values of Brass valves may be reduced as the prices of copper LME has drastically decreased in the international market as compared to those of 2013 when the impugned valuation ruling was issued. The participants were requested to submit import invoices, sales tax invoices, literature, representative samples, evidences and other relevant requisite import documents in support of their contentions. Despite a lapse of considerable time, the importers have not submitted the requisite documents.

**5. Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs values of valves. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available. Identical / similar goods value methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of subject goods. Thereafter, market inquiries as envisaged under section 25(7) of the Customs Act, 1969, were conducted. The prices varied depending on the specifications of the items and the location of the market. The computed value method as provided in Section 25(8) of the Customs Act, 1969,

could not be applied as the conversion costs from constituent material at the country of export were not available. Online values of subject goods were also obtained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of different type of valves have been determined under Section 25(9) of the Customs Act, 1969.

**6. Customs values of Valves:** Valves as specified herein shall be assessed to duty/ taxes at the Customs values given in the following tables.-

S. No.	Description	PCT Code	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Valves (Brass) and Parts thereof	8481.1000 8481.2000 8481.3000 8481.4000	8481.1000.1000 8481.2000.1000 8481.3000.1000 8481.4000.1000	China	8.0
2.	Valves (Brass) and Parts thereof	8481.1000 8481.2000 8481.3000 8481.4000	8481.1000.1100 8481.2000.1100 8481.3000.1100 8481.4000.1100	Other origins	10.5
3.	Valves (Stainless Steel) and Parts thereof	8481.1000 8481.2000 8481.3000 8481.4000	8481.1000.1200 8481.2000.1200 8481.3000.1200 8481.4000.1200	China	3.70
4.	Valves (Stainless Steel) and Parts thereof	8481.1000 8481.2000 8481.3000 8481.4000	8481.1000.1300 8481.2000.1300 8481.3000.1300 8481.4000.1300	Other origins	4.80
5.	Valves (Cast iron/Carbon steel) and Parts thereof	8481.1000 8481.2000 8481.3000 8481.4000	8481.1000.1300 8481.2000.1300 8481.3000.1300 8481.4000.1300	China	1.90
6.	Valves (Cast iron/Carbon steel) and Parts thereof	8481.1000 8481.2000 8481.3000 8481.4000	8481.1000.1400 8481.2000.1400 8481.3000.1400 8481.4000.1400	Other origins	2.45

7. 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. 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.

**8. Validity of this Valuation Ruling:** The values 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.

**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 of this ruling, 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 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 this Directorate General immediately. The Customs values

determined in the ruling are for the descriptions and specifications as mentioned in the Table above. HS codes are mentioned for illustrative purposes only so that VR values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling all formalities relating 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 Valuation Ruling No.602/2013, dated 31-10-2013.**

**(DR.WASIF ALI MEMON)**

Director

Copy for information to:-

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisement), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1<sup>st</sup> Floor, PT &T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta Peshawar / Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in WeBOC database system and deleting Valuation Ruling No. 602/2013, dated 31-10-2013.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta