

**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 Custom Values of Hot & Cold Water Dispensers (HS Code 8418.6990) Under Section 25-A of the Customs Act, 1969**

**(VALUATION RULING No. 910/2016)**

No. Misc/13/2014-VII/9243

Dated: 15-08-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of hot & cold water dispensers are determined as follows:-

**2. Background of the valuation issue:** The Customs values of hot & cold water dispensers were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No. 282/2010 dated 08-12-2010. A number of representations were received to re-determine the customs values afresh in the light of existing international market prices, according to the different sizes. Therefore an exercise to determine customs values of hot & cold water dispensers afresh in terms of Section 25-A of the Customs Act, 1969 was initiated.

**3. Stakeholders' participation in determination of Customs values:** A meeting for the determination of customs values of hot & cold water dispensers with stakeholders was scheduled on 25-07-2016. The stakeholders had been requested to submit the following documents before or during the meeting.

- A. In voices 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 and representative of M/s. Fluid technology international Pvt Ltd., and the officers from field formations.

4. During the course of meeting, the representative of M/s Fluid Technology was of the view that the values of hot & cold water dispensers have slightly increased in the international market as compared to the values determined in the existing valuation ruling and this mainly depends upon order of huge quantity and discount of any sort offered by Chinese suppliers. They further explained that the subject goods are imported in different brand names as per requirement of importer as they import in the name of brand "Vey". However, importers did not submit import invoices, sales tax in voices, literature, evidences and other relevant requisite import documents in support of their contentions.

**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 hot & cold water dispensers. 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 enquiry as envisaged under section 25(7) of the Customs Act, 1969, was conducted. 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 hot & cold water dispensers have been determined under Section 25(9) of the Customs Act, 1969.

**6. Customs values for Hot & Cold Water Dispensers:** Hot & Cold Water Dispensers as specified herein shall be assessed to duty/ taxes at the Customs values given in the following tables.-

S. No.	Description	PCT	Proposed PCT for WEBOC	Origin	Customs Values US\$ (C&F) /PC
(1)	(2)	(3)	(4)	(5)	(6)
1.	Water Dispenser (Hot & Cold) with mini Refrigerator	8418.6990	8418.6990.1000	China	60.0
2.	Water Dispenser (Hot & Cold) without Refrigerator	8418.6990	8418.6990.1100	China	52.0

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 there in.

12. This ruling supersedes Valuation Ruling No. 282/2010, dated 08-12-2010.

**(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 (Appraisalment), 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.282/2010 dated 08-12-2010.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. Law Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi / MCC, Appraisement, 1<sup>st</sup> Floor, Custom House, Karachi.
21. Guard File.