

**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 OF EXERCISE MACHINES UNDER  
SECTION 25-A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING No. 916/2016)**

No. Misc/13/2009-VIII(B)/IX/9337

Dated: 26-08-2016

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

**2. Background of the valuation issue:** It was brought to the notice of this Directorate General of Customs Valuation that the values of Exercise Machines have considerably increased in the international market as compared to the determined Customs values of Exercise Machines vide Valuation Ruling No. 563/2013, dated 02-07-2013. The aforementioned Valuation Ruling required revision in line with the prevailing prices in the international market. Therefore, this Directorate General initiated an exercise for determination of customs values of different types of Exercise Machines.

**3. Stakeholders' participation in determination of Customs values:** Meeting with stakeholders was held on 21-06-2016, 28-06-2016 and 26-07-2016. The importers were also requested to furnish the following documents: -

- 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.

**4. No one turned up for the scheduled meetings:** Neither anyone furnished the requisite documents. One importer, M/s Bilal Brothers sought adjournments on all three occasions by submitting one excuse or another. He however did not submit any supporting documents. The importers were given sufficient time to submit their contentions, but they could not submit any. No other importer approached this Directorate General.

**5. Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at fair value of Exercise Machines. Transaction value method provided in Section 25(1) was found inapplicable owing to wide variation in the values being declared to the customs and incomplete descriptions. 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. As the stakeholders were not forthcoming with the values of the Exercise Machines as being traded in the international market, therefore different markets were surveyed repeatedly for the purpose. Online prices were also obtained to corroborate the findings of the market surveys. Computed Value Method as provided in

Section 25(8) could not be applied for valuation of the aforementioned goods as the cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25(8) of the Act, in the country of export, could not be ascertained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values of Exercise Machines. Consequently, the Customs values of Exercise Machines have been determined under Section 25(9) of the Customs Act, 1969.

**6. Customs values for Exercise Machines:** Exercise Machines, hereinafter specified, shall be assessed to duty/taxes at the Customs Values mentioned against them as per Annexure (Pages-1 to 6).

7. In cases where declared/transaction values are higher than the Customs values determined in this Ruling, the assessing officers shall apply the 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 or in case of import through Land Customs Stations, the differential amount between the Sea freight and land transport charges 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 or subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Section(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-A 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 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 this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the Annexure to this Valuation Ruling. HS 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 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 Valuation Ruling supersedes Valuation Ruling No. 563/2013, dated 02-07-2013.

**(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 (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. 563/2013, dated 02-07-2013.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.

**Annexure to Valuation Ruling No. 916/2016 Dated August 26, 2016**

S. No.	Description of goods	PCTs	Proposed PCT for WEBOC	Origins	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Motorized Treadmills Up to 1.0 HP	9506.9100	9506.9100.1000	China	7.40
2			9506.9100.1010	Taiwan/Far East/Middle East	10.50
3			9506.9100.1020	Other Origins	15.30
4	Motorized Treadmills I.I to 2.0HP		9506.9100.1030	China	8.20
5			9506.9100.1040	Taiwan/Far East/Middle East	11.90
6			9506.9100.1050	Other Origins	17.00
7	Motorized Treadmills 2.1 to 3.0HP		9506.9100.1060	China	12.20
8			9506.9100.1070	Taiwan/Far East/Middle East	17.00
9			9506.9100.1080	Other Origins	21.25
10	Exercise Bike		9506.9100.1090	China	6.80
11			9506.9100.1100	Taiwan/Far East/Middle East	9.00
12			9506.9100.1110	Other Origins	13.20
13	Elliptical Trainer		9506.9100.1120	China	8.80
14			9506.9100.1130	Taiwan/Far East/Middle East	11.90
15			9506.9100.1140	Other Origins	15.30
16	Gymnasiums		9506.9100.1150	China	3.80
17			9506.9100.1160	Taiwan/Far East/Middle East	5.65
18			9506.9100.1170	Other Origins	8.00
19	Multi station Gymnasiums		9506.9100.1180	China	4.00
20			9506.9100.1190	Taiwan/Far East/Middle East	6.00
21			9506.9100.1200	Other Origins	8.20
22	Incumbent Machine		9506.9100.1210	China	8.50
23			9506.9100.1220	Taiwan/Far East/Middle East	11.90
24			9506.9100.1230	Other Origins	15.30
25	Bicycle Trainer		9506.9100.1240	China	7.00
26			9506.9100.1250	Taiwan/Far East/Middle East	9.50
27			9506.9100.1260	Other Origins	14.00
28	Steppers		9506.9100.1270	China	15.10
29			9506.9100.1280	Taiwan/Far East/Middle East	7.14
30			9506.9100.1290	Other Origins	8.50
31	Squat Station		9506.9100.1300	China	5.20
32			9506.9100.1310	Taiwan/Far East/Middle East	6.80
33			9506.9100.1320	Other Origins	8.50
34	Barbells		9506.9100.1330	China	8.50
35			9506.9100.1340	Taiwan/Far East/Middle East	10.65
36			9506.9100.1350	Other Origins	12.75
37	Bench Press		9506.9100.1360	China	2.90
38			9506.9100.1370	Taiwan/Far East/Middle East	3.90
39			9506.9100.1380	Other Origins	4.70
40	Incline Bench Press		9506.9100.1390	China	6.80
41			9506.9100.1400	Taiwan/Far East/Middle East	8.50
42			9506.9100.1410	Other Origins	11.00
43	Hammer Strength machine		9506.9100.1420	China	4.25
44			9506.9100.1430	Taiwan/Far East/Middle East	5.95
45			9506.9100.1440	Other Origins	7.25
46	Cables and Pulleys/Cable Cross		9506.9100.1450	China	5.10
47			9506.9100.1460	Taiwan/Far East/Middle East	8.50
48			9506.9100.1470	Other Origins	10.20

49		9506.9100.1480	China	1.80
50	Dumb Bells	9506.9100.1490	Taiwan/Far East/Middle East	3.40
51		9506.9100.1500	Other Origins	5.10
52		9506.9100.1510	China	2.55
53	Pull Up Bar	9506.9100.1520	Taiwan/Far East/Middle East	3.40
54		9506.9100.1530	Other Origins	4.25
55		9506.9100.1540	China	4.10
56	Lat Pull Down Machine	9506.9100.1550	Taiwan/Far East/Middle East	5.95
57		9506.9100.1560	Other Origins	8.50
58		9506.9100.1570	China	6.80
59	Leg Extension Machine	9506.9100.1580	Taiwan/Far East/Middle East	7.35
60		9506.9100.1590	Other Origins	11.90
61		9506.9100.1600	China	7.65
62	Leg Curl Machine	9506.9100.1610	Taiwan/Far East/Middle East	10.20
63		9506.9100.1620	Other Origins	12.00
64		9506.9100.1630	China	4.65
65	Hyper Extension Bench	9506.9100.1640	Taiwan/Far East/Middle East	5.40
66		9506.9100.1650	Other Origins	6.80
67		9506.9100.1660	China	4.90
68	Dipping Bars	9506.9100.1670	Taiwan/Far East/Middle East	6.15
69		9506.9100.1680	Other Origins	8.50
70		9506.9100.1690	China	5.75
71	Smith Machine	9506.9100.1700	Taiwan/Far East/Middle East	6.85
72		9506.9100.1710	Other Origins	8.50
73		9506.9100.1720	China	6.70
74	Preacher Bench	9506.9100.1730	Taiwan/Far East/Middle East	8.50
75		9506.9100.1740	Other Origins	11.90
76		9506.9100.1750	China	6.60
77	Abdominal Bench	9506.9100.1760	Taiwan/Far East/Middle East	8.50
78		9506.9100.1170	Other Origins	11.90
79		9506.9100.1780	China	7.60
80	Leg Press machine	9506.9100.1190	Taiwan/Far East/Middle East	9.20
81		9506.9100.1800	Other Origins	12.75
82		9506.9100.1810	China	8.50
83	Hack Squat Machine	9506.9100.1820	Taiwan/Far East/Middle East	10.65
84		9506.9100.1830	Other Origins	12.75
85		9506.9100.1840	China	6.70
86	Calf Machines	9506.9100.1850	Taiwan/Far East/Middle East	8.35
87		9506.9100.1860	Other Origins	10.55
88		9506.9100.1870	China	7.30
89	Leg Adduction / Adduction Machine	9506.9100.1880	Taiwan/Far East/Middle East	8.30
90		9506.9100.1890	Other Origins	10.20
91		9506.9100.1900	China	8.50
92	Pee Deck Machine	9506.9100.1910	Taiwan/Far East/Middle East	10.20
93		9506.9100.1920	Other Origins	11.90
94		9506.9100.1930	China	1.50
95	Kettle Bells	9506.9100.1940	Taiwan/Far East/Middle East	2.00
96		9506.9100.1950	Other Origins	3.15
97		9506.9100.1960	China	8.00
98	Wall Ball	9506.9100.1970	Taiwan/Far East/Middle East	14.00
99		9506.9100.1980	Other Origins	20.00
100		9506.9100.1990	China	6.55
101	Foam Roller	9506.9100.2000	Taiwan/Far East/Middle East	9.80
102		9506.9100.2010	Other Origins	13.15
103		9506.9100.2020	China	6.00
104	Stability Ball	9506.9100.2030	Taiwan/Far East/Middle East	9.80
105		9506.9100.2040	Other Origins	13.50
106	& Body-Solid Pro Dual Leg	9506.9100.2050	China	12.75

107	Extension Curl Machine		9506.9100.2060	Taiwan/Far East/Middle East	18.70
108			9506.9100.2070	Other Origins	20.00
109			9506.9100.2080	China	12.00
110	Leg Extension Station		9506.9100.2090	Taiwan/Far East/Middle East	15.75
111			9506.9100.2100	Other Origins	20.40
112			9506.9100.2110	China	6.00
113	Other Exercise Machines		9506.9100.2120	Taiwan/Far East/Middle East	6.00
114			9506.9100.2130	Other Origins	8.00

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**IQBAL HUSSAIN KALYAR**

Valuation Officer

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**MUHAMMAD ASIM**

Principle Appraiser

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**CH. RIZWAN BASHIR KALAIR**

Deputy Officer

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**MUHAMMAD IQBAL MUNEEB**

Additional Director

**(DR.WASIF ALI MEMON)**

Director