

*(This Ruling has been revised / superseded vide Valuation Ruling No. 1421/2019 dated 02-11-2019)*

\*\*\*

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

\*\*\*\*\*

**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 REPLACEMENT WHEEL RIM (ALLOY/  
OTHER THAN ALLOY) (PCT 8708.7010, 8708.7020) UNDER SECTION 25-A OF THE  
CUSTOMS ACT, 1969**

**(VALUATION RULING No. 921/2016)**

No. Misc/20/2010-VIIIA

Dated: 31-08-2016

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

**2. Background of the valuation issue:** The Customs values of replacement wheel rim (alloy/other than alloy) of vehicles were determined vide Valuation Ruling No. 397/2011, dated 03-11-2011. A number of representations were received from importers to determine the customs values afresh in the light of existing international market prices. Therefore, an exercise to determine customs values of replacement wheel rim (alloy/other than alloy) afresh in terms of Section 25-A of the Customs Act, 1969 was initiated.

**3. Stakeholders' participation in determination of Customs values:** Meeting was held on 07-06-2016 and 22-06-2016, with stakeholders including the representatives of M/s. Baluchistan Wheels Limited, M/s. Pak Precise Engineering (Pvt) Ltd., M/s. Dawood Engineering Ltd. and M/s. Atlas Honda Limited. The stakeholders had been requested to submit the following documents before or during the meeting: -

- 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. During the course of meeting, the manufacturers including M/s Baluchistan Wheels Limited submitted that the values of wheel rims may be enhanced due to their use of high standard material, quality product and product cost and may be categorized on the basis of its use in car, truck and trailer. However, no importer attended the meetings to represent their point of view. It is pertinent to mention that a representation was received from M/s Faisal Trading Company regarding revision of impugned valuation ruling whereby the importer submitted that the valuation ruling may be revised downward as the raw material used in wheel rims has declined in international market up to 15%. The importer was requested for submission of relevant documents in favor of his contention and was also called for appearing in stakeholder's meeting. The importer neither submitted any relevant document nor appeared in the scheduled meetings; further no documents were submitted in this Directorate General on or even after the said scheduled meetings by the importers.

**5. Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. Transaction value method provided in Section 25(1) of the Act *ibid* was found inapplicable because the required

information was not available. Identical and Similar goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969, 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 the subject goods. Thereafter, market enquiries as envisaged under Section 25(7) of the Customs Act, 1969, were conducted. 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 Customs Act, 1969, in the country of exportation could not be ascertained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the customs values of replacement wheel rim (alloy/other than alloy) of vehicles have been determined under Sub-Section (9) of Section 25 of the Customs Act, 1969.

**6. Customs values for Wheel Rim:** Replacement wheel rim (alloy/other than alloy) of all vehicles hereinafter specified shall be assessed to duty / taxes at the following Customs Values:-

S. No.	Description of Foods	PCT Code	Proposed PCT for WEBOC	Origins	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	Alloy Wheel Rim	8708.7010 8708.7020	8708.7010.1000 8708.7020.1000	China	2.18
02.	Alloy Wheel Rim	8708.7010 8708.7020	8708.7010.1100 8708.7020.1100	Other origins	3.45
03.	Wheel Rim (other than Alloy)	8708.7010 8708.7020	8708.7010.1200 8708.7020.1200	China	0.54
04.	Wheel Rim (other than Alloy)	8708.7010 8708.7020	8708.7010.1300 8708.7020.1300	Other origins	0.64

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 Annex to this Ruling. 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. 397/2011, dated 03-11-2011.

(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 One Customs & WeBOC database system and deleting Valuation Ruling No. 397/2011, dated 03-11-2011.
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, Appraisalment, 1<sup>st</sup> Floor, Custom House, Karachi.
21. Guard File.