

(This Ruling has been revised / superseded vide Valuation Ruling No. 1869/2024 dated 02-04-2024)

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

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

**DETERMINATION OF CUSTOMS VALUES OF SUBMERSIBLE MOTORS UNDER
SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING No. 990/2016)

No. Misc/28/2016-VII/10091

Dated: 13th December, 2016

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

2. Background of the valuation issue: Customs values of Submersible Motors were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No. 318/2011, dated 17-05-2011. The 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 Submersible Motors.

3. Stakeholders' participation in determination of Customs values: A meeting with stakeholders was held on 03-08-2016. Importers had been requested to furnish the following documents before or during the course of 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 and the officers from field formations.

4. During the course of meeting, the importers were of the view that the values of Submersible Motors of China origin have reduced in the international market as compared to the values determined in the existing valuation ruling, therefore, the values needed downward revision. However, importers did not submit import invoices, sales tax invoices, literature, evidences and other relevant requisite import documents in support of their contentions. They requested that market inquiry should be conducted from Shahrah-e-Liaquat, Karachi. The request was acceded to. The importers agreed that work back values obtained from a market inquiry from the market where these Submersible Motors, are traded will actually reflect correct values. The prices varied depending on the KW, origin and material.

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 Submersible Motors. Transaction value method provided in Section 25 (1) was found inapplicable owing to wide variation in the values being declared to the customs. 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 upon 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. For the purpose, different markets were surveyed repeatedly. Consequently the Customs values of Submersible Motors have been determined under Section 25(7) of the Customs Act, 1969.

6. Customs values for Submersible Motors: Submersible Motors, specified as specified herein shall be assessed to duty/ taxes at the Customs values given are as under:-

S. No.	Description of goods	H.S. Code	Proposed PCT for WEBOC	Origins	Customs Values (C&F) US\$/KW
(1)	(2)	(3)	(4)	(5)	(6)
1	Submersible Motor (Cast Iron) upto 15 KW	8501.5210	8501.5210.1000	China	15
2			8501.5210.1100	Europe	30
3			8501.5210.1200	Other Origin	23
4	Submersible Motor (Stainless Steel) above 15 K W		8501.5210.1300	China	14
5			8501.5210.1400	Europe	28
6			8501.5210.1500	Other Origin	22
7	Submersible Motor (Stainless Steel) up to 15 K W		8501.5210.1600	China	26
8			8501.5210.1700	Europe	53
9			8501.5210.1800	Other Origin	40
10	Submersible Motor (Stainless Steel) above 15 K W		8501.5210.1900	China	25
11			8501.5210.2000	Europe	49
12			8501.5210.2100	Other Origin	38

7. In cases where declared/transaction values are higher than the Customs values determined in this Valuation 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 element of air freight while assessing the goods.

8. Validity of this Valuation Ruling: The values determined vide this Valuation 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-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

9. Revision of the values determined vide this Valuation Ruling: A revision petition may be filed against this Valuation 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, 7th 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 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 ruling supersedes Valuation Ruling No. 315/2011, dated 17-05-2011.

(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 (Appraisement), Custom House, Karachi.