

*(This Ruling has been revised / superseded vide Valuation Ruling No. 1437/2020 dated 04-02-2020)*

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

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**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 ELECTRIC HEATERS UNDER SECTION  
25-A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING No. 998/2016)**

No. Misc/36/2016-VII

Dated: 21<sup>th</sup> December, 2016

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

**2. Background of the valuation issue:** It was brought to the notice of this Directorate General that Electric Heaters were being imported at under-invoiced values. The Directorate General under took exercise to determine the customs values of Electric Heaters imported from China in the light of existing international market prices. Therefore, this Directorate General initiated an exercise for determination of customs values of Electric Heaters.

**3. Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were held on 10-12-2016 and 20-12-2016. 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 before the said scheduled meetings. The meetings were attended by the importers and the officers from field formations.

4. During the course of meetings, the importers were of the view that the values of Electric Heaters of China origin are very low and that Department's perception is not correct. They contended that with the passage of time the prices have come down. They were requested to submit import invoices, sales tax invoices, literature, evidences and other relevant documents in Support of their contentions. In spite of lapse of considerable time, no evidence or documents were submitted. The importers during the meeting, requested that the Electric Room Heaters and Fan Heaters are mostly being sold in Punjab and KPK, therefore, market inquiry shall be conducted from Punjab and KPK or from the Karachi markets where these goods are being traded.

**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 Electric Heaters. 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. 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 Electric Heaters have been determined under Section 25(9) of the Customs Act, 1969.

**6. Customs values for Electric Heaters:** Electric Heaters, 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\$/PC		
					(A)	(B)	(C)
1	Electric Heater two rods 800 watt	8516.2900	8516.2900.1000	China	8	3.8	2
2	Electric Heater two rods 1200 watt		8516.2900.1100		13.5	6.6	3.5
3	Electric Heater Multiple Rods 2000 watts		8516.2900.1200		16	7.6	4
4	Sun Heater Table One Rod 600 watts		8516.2900.1300		9	6.6	3.5
5	Sun Heater Table One Rod 1000 watts		8516.2900.1400		12	7.6	4
6	Sun Heater Table One Rod 1500 watts		8516.2900.1500		13.5	9.5	5
7	Pedestle sun Heater one Rod 1000-1500 watts without Remote		8516.2900.1600		13.7	9.5	5.5
8	Pedestle sun Heater one Rod 1000watts to 1500watts with Remote		8516.2900.1700		14	11	7.5
9	Fan Heater 1000watts - 2000watts		8516.2900.1800		11	7.6	4
10	Fan Heater 1000walls - 2000watts with Remote		8516.2900.1900		13	9.5	5
<b>Category-A:</b> Black & Decker/ Kenwood/ Philips/ Braun/Sanyo/ Dawlance/ Delonghi/ Siemen/ Tarrington/ Hitachi/Moulinex /Rinnai							
<b>Category-B:</b> Westpoint/ Bester/ Super Rinnai/ Jackpot/ Seco/ Sec/Deuron/ Tauras/ Sogo/ Geepas/ Annex/ Annexplus/ Gaba National/ Super National/ Ocarina/ Super Asia/ Media/ Howel/ Xelent/ General/ Yeso/ Fairline/ Cambridge/ Perfact/ Haier							
<b>Category-C:</b> Winter/ Novell Peskoe/ Prime/ Lion/ HM/ Housemaster/Huajio/Meilun /Prisma/ Armco							

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 element of air freight while assessing the goods.

**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 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.

**(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 of Valuation Ruling.
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. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading FBR website of Valuation Ruling.
22. Guard File.