

(This Ruling has been revised / superseded vide Valuation Ruling No. 1424/2019 dated 05-11-2019)

**GOVERNMENT OF PAKISTAN
DIRECTORATE OF CUSTOMS (VALUATION)
CUSTOM HOUSE NABHA ROAD, LAHORE**

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 TRACTOR PARTS UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING No. 1016-A/2017)

No. Reg.Misc/19/2016-II/

Dated: 23rd January, 2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969 Customs values of Tractor Parts are determined as follows.

2. Background of the valuation issue: It was brought to the notice of this Directorate General of Customs Valuation by the Manufactures of Tractor Parts that the values of tractor parts determined vide Valuation Ruling No. 945/2016 dated 05.10.2016 were on the lower side and required revision. As major market of Tractor parts is located in Lahore, the Director General ordered issuance of fresh valuation ruling of Tractor Parts after considering all aspects including import data, market surveys and hearing the stakeholders.

3. Stakeholders' participation in determination of Customs values: To ensure transparency and fairness, an exhaustive meeting with the major stakeholders was held on 20.12.2016 which was attended by representatives of Pakistan Association of Automotive Parts and Accessories Manufacturers (PAAPAM), importers of tractor parts and local manufacturers besides officers of this Directorate. An intensive discussion took place and all stakeholders were duly heard. Briefly, the importers, as a body, put forth the arguments that any enhancement in values may affect the imports adversely resulting in increased smuggling activity besides hurting the interests of the poor farmers who are unable to purchase locally manufactured parts of superior quality. The manufacturers contended that imports of tractor parts at lower values is not only depriving the exchequer of legitimate revenue but also negatively affecting the local manufacturing industry. They also pointed out that the existing valuation ruling, besides being on lower side, does not cover all the tractor parts being manufactured locally and there is a dire need of a new ruling based on realistic market prices and actual import values. They also asked to include the parts not covered under the existing Valuation Ruling.

4. 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 tractor parts. 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, a detailed market enquiry as envisaged under Section 25 (7) of the Customs Act, 1969, was conducted at Lahore being major market of imported tractor parts by the Directorate of Customs Valuation, Lahore. Online prices were also obtained to corroborate the findings of the market surveys. 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. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values of tractor parts. Consequently, the Customs values of tractor parts have been determined under Section 25 (9) of the Customs Act, 1969.

5. Customs values for Tractor Parts hereinafter specified shall be assessed to duty / taxes at the following Customs Values:-

S. No.	Description	H.S. Code	Proposed PCT for WBOC	Customs Values (C&F) US\$/Kg		
				China	Turkey/ Brazil	Others
1	Piston Set	8409.9910	8409.9910.1000	5.2	5.6	6.0
2	Ring Set	8409.9910	8409.9910.1100	28.76	29.0	29.5
3	Cylinder Blocks	8409.9910	8409.9910.1200	1.20	1.35	1.5
4	Cylinder Heads	8409.9910	8409.9910.1300	1.3	1.5	1.75
5	Cylinder Liners	8409.9910	8409.9910.1400	3.8	4.0	4.3
6	Inlet & Exhaust Valves	8409.9920	8409.9920.1000	5.75	6.0	6.2
7	Connecting Rods & Caps	8409.9920	8409.9920.1100	3.65	3.8	4.0
8	Tappets, Push Rods & Rocker Arm	8409.9920	8409.9920.1200	4.31	4.45	4.60
9	Rear End Housing	8409.9920	8409.9920.1300	1.60	1.75	1.85
10	Fuel Pumps	8413.3020	8413.3020.1000	9.86	10.0	10.15
11	Oil Pumps	8413.3020	8413.3020.1100	3.65	3.80	4.0
12	Water Pumps Assembly	8413.3020	8413.3020.1200	2.05	2.25	2.50
13	Main Shafts, Counter Shafts & Cam Shafts	8483.1011	8483.1011.1000	1.84	2.0	2.25
14	Crown Wheel Pinion & Parts / Gear set	8483.1011	8483.1011.1100	2.57	2.70	2.85
15	Crank Shaft Assembly	8483.1019	8483.1019.1000	1.73	1.90	2.10
16	Gaskets & Joints	8484.1021	8484.1021.1000	6.57	6.70	6.85
17	Clutch Plate 10"-12"	8708.9310	8708.9310.1000	6.76	6.85	7.0
18	(i) (Spindle Bush) (ii) (Arm Bush)	8483.3010	8483.3010.1000	2.87 3.33	2.95 3.5	3.0 3.65
19	Timing Gear	8483.1019	8483.1019.1000	6.16	6.3	6.5

6. 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 differentia between air freight and sea freight while applying the Customs values determined in this Ruling.

7. 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.

8. 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, 7th Floor, Custom House Karachi.

9. 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 tables above of this 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 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.

10. This Valuation Ruling supersedes Valuation Ruling Nos. 945/2016 dated 05-10-2016.

(MIRZA MUBASHIR BAIG)

Director

Copy for information to:-

1. The Member (Customs), Federal Board of Revenue Islamabad.
2. The Director General Customs Valuation, Custom House Karachi.
3. The Chief Collector of Customs South (Appraisalment), Custom House Karachi.
4. The Chief Collector of Customs South (Enforcement), Custom House Karachi.
5. The Chief Collector of Customs (Central) Lahore