

**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 / Exports (Karachi / Port Qasim).

DETERMINATION OF CUSTOMS VALUES OF SUBMERSIBLE PUMP UNDER SECTION 25-A OF THE CUSTOMS ACT 1969

(VALUATION RULING No. 1323/2018)

C. No. Misc/03/2018-VII/1291

Dated: 5th September, 2018

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

2. Description of the valuation issue: It was brought to notice of this Directorate General that Submersible Pumps are being assessed at lower price. Therefore, an exercise was initiated to determine the custom values of Submersible Pumps under Section 25A of Customs Act, 1969.

3. Stakeholder's participation in determination of Customs values: Meetings were held with stakeholders on 21.03.2018 and 01.08.2018 and 04.09.2018. Meetings were attended by different stakeholders including importers, officers from clearance Collectorates and representatives from trade bodies. All stakeholders had been requested to submit the following documents before or during the course of stakeholders' meetings:

- 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 values of supplies (excluding duty and taxes) to substantiate their contentions.

4. The importers during the meetings submitted that their submersible pumps have different wattage and capacity and their prices vary accordingly. However, it was noted that assessment is based on weight Criteria in the clearance Collectorate. Some of the stakeholders stated that submersible pumps are being declared and assessed on very low side and there is a need to determine the custom value under section 25A for uniform assessment across the board. Despite lapse of considerable time, requisite documents have not been submitted by the stakeholders.

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 under sub-section (1) of section 25 of the Act *ibid* was found inapplicable because the requisite information under the law was not provided by the importers. Identical and Similar Goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969 provided some reference values but due to wide variations in the declarations the same could not be relied upon exclusively. In the sequential order this office conducted market inquiries in terms of Sub-Section (7) of Section 25 of the Customs Act, 1969. Input and feed back by the participants during the Stakeholders' meetings were also considered. Online information was also obtained. All the information so gathered was analyzed and evaluated. Keeping all the above in view, customs values of submersible pump are determined under Sub-Section (7) of Section 25 of the Customs Act, 1969.

6. Customs Values of Submersible pump *hereinafter specified*, shall be assessed to duty/taxes on the Customs values mentioned against them in the Table below:

S. No.	Submersible Pumps without Motors	HS Code	Proposed for PCT for WBOC	Origin	Customs value (C&F)/US\$/kg/KW whichever is higher	
1	2	3	4	5	6	7
1	Upto 1 KW	8413.7010	8413.7010.1000	China	3.00/Kg	20.00/KW
2	From 1.1 KW to 3 KW		8413.7010.2000		3.50/Kg	23.00/KW
3	From 3.1 KW to 6 KW		8413.7010.3000		4.50/Kg	24.00/KW
4	From 6.1 KW to 10 KW		8413.7010.4000		8.00/Kg	25.00/KW
5	From 10.1 KW and above		8413.7010.5000		10.00/Kg	26.00/KW

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 Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account air freight while applying the customs values determined in this Ruling.

8. Validity of 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, 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 the table above of this Ruling. HS Codes are mentioned for illustrative purpose 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.

(MUHAMMAD IQBAL MUNEEB)
Director

Copy for information:-

1. The Member (Customs), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisement), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Director General, Intelligence and Investigation, Islamabad.
8. The Director General, Post Clearance Audit, Islamabad.
9. The Director, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad.
10. The Project Director, WeBOC, 11th Floor, Custom House, Karachi.
11. The Director, Customs Valuation, Custom House, Lahore.

12. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, uploading this Val. Ruling in One Customs & WeBOC database system.
13. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
14. The Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.