

(This Ruling has been revised / superseded vide Valuation Ruling No. 1799/2023 dated 04-09-2023)

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

The Collectors of Customs, Collectorate of Customs, (Appraisement -West / Appraisement –East / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad / (Appraisement / Enforcement), Quetta / Gawadar / (Appraisement / Enforcement / AIIA), Lahore / Appraisement, Faisalabad / Appraisement, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisement / Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Karachi / Port Qasim) / Transit Trade (Karachi).

**DETERMINATION OF CUSTOMS VALUES OF SOLAR PANELS UNDER SECTION 25-A OF
THE CUSTOMS ACT, 1969**

(VALUATION RULING No. 1653/2022)

C. No. Misc/30/2013-VII/518

Dated: 23rd May, 2022

In exercise of the powers conferred under Section 25A of the Customs Act, 1969 Customs value of Solar Panels is determined as follows:-

2. Background of the valuation issue: Earlier, the customs value of Solar Panels was determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No. 620/2013 dated 12-12-2013. The above referred Valuation Ruling was withdrawn in 2017. Recently, Government has imposed Sales tax on Solar Panels. Several representations were received in this Directorate General of Customs Valuation for determination of Customs Value of above referred goods due to mis-invoicing in Solar Panels. Accordingly, an exercise was undertaken by the Directorate General of Customs Valuation to determine afresh the Customs Values of subject goods in terms of Section 25A of Customs Act, 1969.

3. Stakeholders' participation in determination of Customs values: Meeting was held on 27-04-2022 with the stakeholders of the subject goods. The importers submitted that there are two types of companies who are manufacturing Solar Panels to categorized as Tier-I and Tier-2 companies. Both have designated values. The stakeholders were requested to submit the following documents before or during the course of stakeholder's 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 difference in price (excluding duty and taxes) to substantiate their contentions.*

4. Method adopted to determine Customs value: Valuation methods provided in Section 25 of the Customs Act, 1969, were duly applied in their regular sequential order to arrive at customs values of subject goods. The transaction value method as provided in Sub-Section (1) of Section 25 of the Customs Act, 1969, was found inapplicable because requisite information was not available as per law. The wide variation of values displayed in the import data as available on record also strengthened the aforementioned fact. Hence requisite information under law was not available to arrive at the transaction value. Therefore, identical/similar goods value methods as provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case. The same provided some

reference values but could not be exclusively and solely relied upon. In line with the statutory sequential order of Section 25, this office conducted market inquiries under sub-Section (7) of section 25 of the Customs Act, 1969 however, this method of valuation could not be exclusively relied upon. Therefore, valuation method vide Section 25(8) was examined for valuation but the same also could not be applied as conversion cost from the constituent material and allied expenses, at the country of export were not available for manufacturing of the subject goods. The quality and pricing data available on reputed international websites/magazines were also checked in terms of proviso to the Section 25A of the Customs Act, 1969 inserted vide Finance Act 2021. Finally, clearance data, market information and international prices through internet were examined thoroughly and the information so gathered were utilized and analyzed for determination of customs values of the subject goods under Section 25 (9) of the Customs Act, 1969.

6. Customs Values for Solar Panels - *hereinafter specified* shall be assessed to duty / taxes at the following minimum Customs Values.

Sr. No.	Description of goods	PCT	Proposed PCT CODE for WEOC	Origin	Customs Values C&F US\$/Watt	
(1)	(2)	(3)	(4)	(5)	(6)	
					(A)	(B)
1	Solar Panels	8541.4000	8541.4000.1000	China/Vietnam	0.27/Watt	0.20/Watt
			8541.4000.1100	Other Origins	0.30/Watt	0.23/Watt
Note 1: The values mentioned at Column 6(A) above are for the Tier: 1 Manufacturers, namely Zonergy, Tianjin / Longi / Jinko / JASoiair / CanadianSolar / Risen / QCells / Trina / FirstSolar / Talesun / EGing / Seraphim / Astroenergy / ZNshine / Jolywood / LG Solar / Waree / Phono / Neo Solar / HT-SAAE / Adani / Vietnam Sunergy/ HendiganUlicia / Recom / Hyundai / Lepton / SEnergy / GoldiSolar / Heliene / Sharp / Swelect / Sunpower / Maxeon / DAHSolar / RECGroup / Yingli / ZNShine / Suntech / CSun / Axitec / AESoiair / URE / URECO / Belinus / Luxor / Panasonic / Tesla / MeyerBurger / Silfab / SolarFabrik / Solaria / Solarwatt / BYD / Jinergy / Haitai / Jetion / Boviet / DMEGC / GCLSystem / AUOptronics / BeyondSun / Tongwei / TSEC / UREC / Waaree / VSUNSolar / S-Energy / Renesola / Yixing / HansolTechnics / RenesolaYixing / AESoiair / Tesla / Motech / CECEP / ETSoiair / Solargiga / Sunport / Hevel / Dongfang / Shinsung / Renewsys / Dehui.						
Note 2: Values mentioned at Column 6(B) are for other than Tier-I Manufacturers, not specified at Note 1 above.						

6. In cases where declared values are higher than the Customs values determined in this Ruling, the assessing officer shall apply those values in terms of Sub-Section 25(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.

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-Section (4) of Section 25A of the Customs Act, 1969, read with Rule 107(a), Chapter IX, of the Customs Rules, 2001.

8. Revision of the value determined vide this Valuation Ruling: This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, under Section 25D 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 the 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. The Customs values determined in the ruling are for the description and specification as mentioned in Para-5. PCT 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 all formalities relating to importability or any other certifications required or restriction imposed thereon by any other government agency or relevant Ministry.

(SYED FAWAD ALI SHAH)

Director

Copy for information to:-

1. The Member Customs (Policy/Operations), F.B.R, Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, Appraisement (South) Custom House, Karachi.
4. The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
5. The Chief Collector of Customs, Appraisement (Central), Custom House, Lahore.
6. The Chief Collector of Customs, Enforcement (Central), Custom House, Lahore.
7. The Chief Collector of Customs (North), Custom House, Islamabad.
8. The Chief Collector of Customs Balochistan, Custom House, Quetta.
9. The Chief Collector of Customs Khyber Pakhtunkhwa, Custom House, Peshawar.
10. The Director General, Intelligence and Investigation-FBR, Islamabad.
11. The Director General, PCA& Internal Audit, Karachi.
12. The Director General, IOCO, Karachi
13. The Director General, Transit Trade, Custom House Karachi
14. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
15. The Director, Transit Trade, Custom House Karachi
16. The Director, Directorate of Customs Valuation, Lahore.
17. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs &WEBOC database system.
18. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
19. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta &Peshawar.
20. The Karachi Customs Agents Group, Bohri Road, Karachi.
21. The Webmaster, Federal Board of Revenue, Islamabad.
22. Guard File.