

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

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

**DETERMINATION OF CUSTOMS VALUE OF RICE COLOR SORTING MACHINE UNDER
SECTION 25-A OF THE CUSTOMS ACT, 1969.**

(VALUATION RULING NO. 1835/2023)

No. Misc/03/2023-VII/1126

Dated: 8th December 2023

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

2. Background of the valuation issue: The Directorate General of Customs Valuation, Karachi, received Board's letter No C.No. 8(6)SS-(Val& Audit)/2023 dated 20.09.2023 for determination of Customs value for rice color sorting machine. Therefore, an exercise has been undertaken by the Directorate to determine the same.

3. Stakeholders' participation in determination of Customs values: Meetings were convened on 17-10-2023, 31-10-2023 and 13-11-2023 which were attended by the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meetings. The participants also submitted their proposals and the same were considered for valuation of the subjects goods. The participants informed the Directorate that there is massive under invoicing in subject goods at the time of import of owing to assessment/clearance by Collectorates on weight basis, whereas value of subject goods depends on chutes and, for import from China, import value should be assessed at US\$ 3000/Chute approximately. Another practice contributing to loss of revenue at import stage is that compressor plants and re-conditioned compressor plants are being cleared as part of subject machines; although compressor plants and re-conditioned compressor plants are an item of a separate PCT Heading with a different duty/structure and are not a part/accessory of subject machine. Therefore, there is need to clarify in the Valuation Ruling that compressor plants and re-conditioned compressor plants may not be cleared as part of subject machines, rather in respective heading.

4. Analysis / Exercise done to determine Customs values: Ninety (90) days' clearance data of subject goods was retrieved and scrutinized. It confirmed the above contentions raised by the importers regarding chutes of the machine being the basis of value and the wrongful clearance of compressor plants and re-conditioned compressor plants as part of these machines. Online research of imported brands also gave an insight about their values. Websites <https://www.meyer-corp.com/>, <https://www.chinacolorsort.com/>, <http://www.lauffervision.com/> were consulted for in-depth information about subject goods. Accordingly, Customs values of subject goods were determined after analyzing all the above-stated aspects.

5. Method (s) adopted to determine Customs values: Valuation methods specified in Section 25 of the Customs Act, 1969, were duly applied in sequential order to arrive at the Customs values of subject goods. The transaction value method as provided in sub-section (1) of Section 25A of the Customs Act, 1969, was found inapplicable owing to absence of requisite information as stipulated in sub-section 2 of Section 25 of Customs Act 1969. Therefore, identical goods value method provided in Section 25(5) was examined for applicability to determine Customs values of subject goods. On the basis of available data /

information collected and exercise conducted, the values of Rice Color Sorting Machine have been determined under sub-section (5) of Section 25 of the Customs Act, 1969.

5. **Customs values of Rice Color Sorting Machine *hereinafter specified*** shall be assessed to duty / taxes at following Customs Values:

S. No.	Description of Goods	PCT	WeBOC	Origin	Customs Value (C & F USD) per Chute
1	Rice Color Sorting Machine/ Computerized Color Sorter Machine/ Optical Sorter/ CCD Color Softer Machine/ Multi-Purpose Seed/Pulses Color Sorter Machine up to 5 chutes with all standard accessories and parts (Excluding compressor plants and re-conditioned compressor plants)	8437.1000	8437.1000.1000	China	3000
2	Rice Color Sorting Machine/ Computerized Color Softer Machine/ Optical Sorter/ CCD Color Sorter Machine/ Multi-Purpose Seed/Pulses Color Sorter Machine up to 10 chutes with all standard accessories and parts (Excluding compressor plants and re-conditioned compressor plants)	8437.1000	8437.1000.2000	China	2850
3	Rice Color Sorting Machine/ Computerized Color Sorter Machine/ Optical Softer/ CCD Color Sorter Machine/ Multi-Purpose Seed/Pulses Color Sorter Machine for more than 10 chutes with all standard accessories and parts (Excluding compressor plants and re-conditioned compressor plants)	8437.1000	8437.1000.3000	China	2700

Note: Compressor plants and re-conditioned compressor plants are not part of subject machines, therefore, they shall be assessed by clearance Collectorates, even if imported with the subject machines, under section 25 of Customs Act, 1969

7. In cases, where declared 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 officers shall take into account the difference between air freight and sea freight while applying the Customs values in this Ruling.

8. **Validity of this Valuation Ruling:** This Ruling, containing the Customs values for assessment of subject imported goods, shall be applicable until and unless the same is rescinded or revised by the competent authority in terms of Sub-Sections (4) of Section 25A of the Customs Act. 1969.

9. **Revision of the values determined vide this Valuation Ruling:** If aggrieved, a revision petition may be filed against this Ruling, as provided under Section 25D of the Customs Act, 1969, within 30 days from the date of its issuance, 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 the Valuation Ruling, for the given description of goods, are applied by the concerned assessing officers / officials without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. The Customs

values determined in this ruling are for the descriptions and specifications as mentioned in Para-6 of this Ruling. HS Codes are mentioned for illustrative purposes so that Valuation Ruling is made accessible to the assessing officers. The assessments shall be finalized on the basis of correct classifications after fulfilling all formalities related to importability or other certifications required thereon.

(FAYAZ RASOOL MAKEN)

Director

Copy for information to:-

- 1) The Member Customs (Operations), Federal Board of Revenue, 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, Baluchistan, Custom House, Quetta.
- 9) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 10) The Director General, Intelligence and Investigation (Customs), 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 / Quetta / Peshawar.
- 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.