

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
7TH FLOOR, PAKISTAN CUSTOM HOUSE,
KARACHI
Phone: 021-99214144

No. Misc/11/2015-VII/0082

Dated: 13th January, 2025

VALUATION RULING NO.1953/2025)

1. This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.
2. The revision petition against this Valuation Ruling can be filed, under Section 25D of the Customs Act, 1969 within 30 days before the Director General, Customs Valuation.
3. The values in valuation ruling shall be applicable to the given description and specification of goods.

SUBJECT: DETERMINATION OF CUSTOMS VALUES OF AIR CONDITIONERS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

1.	Valuation Ruling	Re-determination of Valuation Ruling No. 1053/2017 dated 23.02.2017 and 1178/2017 dated 09.06.2017.
2.	Date of meetings with stakeholders	The meetings with relevant stakeholders were conducted on 02.12.2024 and 09.01.2025.

3. Background of the Issue: The Directorate General of Customs Valuation Karachi received representation to review the values of Air Conditioners. Further, recommendations were received on 13.12.2024 from Federal Tax Ombudsman regarding completion of already initiated process for issuance of afresh Valuation Ruling of Air Conditioner and submission of compliance report within 30 days. Therefore, keeping in view the above facts and in pursuance of analysis of import data, current market trends, the difference in market prices and customs values, an exercise for the determination of customs values of subject goods was initiated under Section 25 and 25A of the Customs Act, 1969.

4. Analysis determine Customs Values: During the exercise, the stakeholders argued that the current customs values for air conditioners are inflated and should be revised to reflect the latest technology of the products. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meeting. Ninety (90) days' clearance data has been retrieved and the same has been scrutinized. Subsequently, market inquiry had also been conducted and examined in the light of this Directorates Office Order No. 17/2014 dated 19-03-2014 and in terms of Section 25(7) of the Customs Act, 1969.

5. Method(s) adopted to determine Customs values: To determine the transaction value of goods, the valuation methods, provided in Section 25 of the Customs Act, 1969, were applied in sequential order. The transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable as declared values did not correspond to market prices. Similarly, the data of identical and similar goods as per sections 25(5) & (6) ibid provided some references of demonstrable evidence of qualities and quantities of the same commercial level; however, it could not be solely relied upon. Meanwhile, a market inquiry as envisaged under sub-Section (7) of Section 25 of the Customs Act, 1969 was also conducted as per procedure of Office Order No. 17/2014 dated 19-03-2014 wherein various markets were visited and the actual prices of subject goods were acquired. As a result, after adjusting the amounts of profits, the C&F value was determined under Section 25(7) of the Customs Act, 1969 further read with relevant Customs Rules, 2001, which are as under:

6. Customs values of Air Conditioners: - In view of above the transaction value of the Air Conditioners hereinafter specified in Annex-A, Annex-B and Annex-C shall be the Customs value for assessment of duty & taxes given against them.

7. In cases, where declared values or values in invoice retrieved from the consignment, as the case may be, are higher than the customs values determined in this valuation ruling, the assessment shall be made on higher values in terms of sub-section (1) of Section 25 of the Customs Act, 1969.

8. In case of consignments imported by air, the difference between air freight and sea freight shall be added for the assessment of value.

9. The VR shall be applicable for the descriptions and specifications of goods as mentioned in the aforementioned table. HS Codes are mentioned for illustrative purposes.

10. The Collectorates of customs shall ensure the implementation of VR and in case of any anomaly may be brought to the notice of this Directorate immediately.

(DR. TAHIR QURESHI)
Director

Copy for necessary action and implementation:

The Collectors / Directors of Customs, Collectoratos / Directorates of Customs (Appraisement-West / East / SAPT / PMBQ / JIAP / Enforcement/), Karachi / Hyderabad / (Appraisement / Enforcement / Ports), Quetta / Gwadar / Khuzdar (Appraisement / Enforcement / AIIA), (Appraisement-East / West, Lahore / Faisalabad Appraisement / Enforcement, Sargodha / Enforcement & Appraisement, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisement / Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim / Custom House, Karachi) / Transit Trade, Karachi.

Copy for information:

- 1) The Member Customs (Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) All Chief Collectors / Director Generals of Customs, Karachi / Lahore / Islamabad / Quetta / Peshawar.
- 4) All Collectors / Directors of Customs, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad.
- 5) The Director, Directorate of Customs Valuation, Lahore / Quetta / Peshawar.
- 6) The Deputy Director (MIS), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 7) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 8) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 9) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 10) The Webmaster, Federal Board of Revenue, Islamabad.
- 11) Guard File.

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Split Type Air Conditioners						
S. No.	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values US\$/Set	
					Conventional	Inverter
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Wall Mounted 12000BTU	8415.1029	8415.1029.1000	China	181	228
			8415.1029.1100	Far East	209	261
			8415.1029.1200	Japan/Europe/USA	266	333
			8415.1029.1300	Other Origins	219	276
2	Wall Mounted 18000BTU		8415.1029.1400	China	233	295
			8415.1029.1500	Far East	271	338
			8415.1029.1600	Japan/Europe/USA	323	404
			8415.1029.1700	Other Origins	280	352
3	Wall Mounted 24000BTU		8415.1029.1800	China	285	356
			8415.1029.1900	Far East	333	418
			8415.1029.2000	Japan/Europe/USA	371	466
			8415.1029.2100	Other Origins	342	428
4	Floor Standing 24000BTU		8415.1029.2200	China	441	554
			8415.1029.2300	Far East	504	630
			8415.1029.2400	Japan/Europe/USA	576	720
			8415.1029.2500	Other Origins	513	644
5	Floor Standing 48000BTU		8415.1029.2600	China	608	760
			8415.1029.2700	Far East	703	879
			8415.1029.2800	Japan/Europe/USA	789	988
			8415.1029.2900	Other Origins	713	893
6	Floor Standing 60000BTU		8415.1029.3000	China	720	900
			8415.1029.3100	Far East	837	1049
			8415.1029.3200	Japan/Europe/USA	941	1179
			8415.1029.3300	Other Origins	848	1058

Note: Indoor units if imported separately, shall be assessed @US\$ 40% of the value of CBU Air Conditioners and outdoor units if imported separately, shall be assessed 60% of the value of CBU Air conditioners as notified above in all categories.

ii. all brands i.e., Gree, Mitsubishi, Acme, Daiken or the like may be assessed @20% in addition to the values mentioned above.

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Window Type Air Conditioners					
S. No.	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values US\$/PC
(1)	(2)	(3)	(4)	(5)	(6)
1	Window type Air Conditioner 1 Ton (9000BTU)	8415.1019	8415.1019.1000	China	109
			8415.1019.1100	Far East	128
			8415.1019.1200	Japan/Europe/USA	157
			8415.1019.1300	Other Origins	138
2	Window type Air Conditioner 1 Ton (12000BTU)		8415.1019.1400	China	139
			8415.1019.1500	Far East	157
			8415.1019.1600	Japan/Europe/USA	204
			8415.1019.1700	Other Origins	162
3	Window type Air Conditioner 1 Ton (18000BTU)		8415.1019.1800	China	166
			8415.1019.1900	Far East	200
			8415.1019.2000	Japan/Europe/USA	238
			8415.1019.2100	Other Origins	209
4	Window type Air Conditioner 1 Ton (24000BTU)		8415.1019.2200	China	209
			8415.1019.2300	Far East	238
			8415.1019.2400	Japan/Europe/USA	276
			8415.1019.2500	Other Origins	257
Portable Air Conditioner					
6	Portable Air Conditioner 12000BTU	8415.1019	8415.1019.2600	China	162
			8415.1019.2700	Far East	185
			8415.1019.2800	Japan/Europe/USA	214
			8415.1019.2900	Other Origins	195

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Tropical Multi System/ Ductless/ Chiller Type Air Conditioners						
S. No.	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values US\$/KW	
					Conventional	Inverter
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Outdoor Unit Up to 30000 BTU	8415.1039	8415.1039.1000	China	53	67
		8415.1099	8415.1099.1000			
		8415.1039	8415.1039.1100	Far East	64	80
		8415.1099	8415.1099.1100			
		8415.1039	8415.1039.1200	Japan/Europe/USA	73	93

		8415.1099	8415.1099.1200			
		8415.1039 8415.1099	8415.1039.1300 8415.1099.1300	Other Origins	62	76
2	Outdoor Unit Up to 42000 BTU	8415.1039 8415.1099	8415.1039.1400 8415.1099.1400	China	46	57
		8415.1039 8415.1099	8415.1039.1500 8415.1099.1500	Far East	54	68
		8415.1039 8415.1099	8415.1039.1600 8415.1099.1600	Japan/Europe/USA	63	80
		8415.1039 8415.1099	8415.1039.1700 8415.1099.1700	Other Origins	52	67
3	Outdoor Unit Above 42000 BTU	8415.1039 8415.1099	8415.1039.1800 8415.1099.1800	China	36	43
		8415.1039 8415.1099	8415.1039.1900 8415.1099.1900	Far East	42	49
		8415.1039 8415.1099	8415.1039.2000 8415.1099.2000	Japan/Europe/USA	48	57
		8415.1039 8415.1099	8415.1039.2100 8415.1099.2100	Other Origins	40	48
4	Ceiling Cassette/ Ceiling Exposed/ Ceiling Concealed Type	8415.1039 8415.1099	8415.1039.2200 8415.1099.2200	China	26	31
		8415.1039 8415.1099	8415.1039.2300 8415.1099.2300	Far East	29	34
		8415.1039 8415.1099	8415.1039.2400 8415.1099.2400	Japan/Europe/USA	32	37
		8415.1039 8415.1099	8415.1039.2500 8415.1099.2500	Other Origins	28	29
5	Chiller type air conditioners	8415.8290 8415.8390	8415.8290.1000 8415.8390.1000	China	52	62
		8415.8290 8415.8390	8415.8290.1100 8415.8390.1100	Far East	62	76
		8415.8290 8415.8390	8415.8290.1200 8415.8390.1200	Japan/Europe/USA	67	86
		8415.8290 8415.8390	8415.8290.1300 8415.8390.1300	Other Origins	59	76
6	Fan Coil Units	8415.8290 8415.8390	8415.8290.1400 8415.8390.1400	China	20	27
		8415.8290 8415.8390	8415.8290.1500 8415.8390.1500	Far East	28	37
		8415.8290 8415.8390	8415.8290.1600 8415.8390.1600	Japan/Europe/USA	32	41
		8415.8290 8415.8390	8415.8290.1700 8415.8390.1700	Other Origins	27	35