

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

No. Misc/03/2024-VII/1026

Dated: 29th January, 2025

VALUATION RULING NO.1964/2025)

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 This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.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 LITHIUM ION BATTERY UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

1.	Valuation Ruling	No previous Valuation Ruling
2.	Date of meetings with stakeholders	The meetings with relevant stakeholders were conducted on 18.09.2024, 03.10.2024, 26.12.2024 and 16.01.2025

3. Background of the Issue: The Directorate received multiple representations from different stakeholders regarding massive under-invoicing of subject goods by certain importers. Accordingly, 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 of determine Customs Values: Multiple meetings for the determination of customs values were scheduled on aforementioned dates that were attended by the relevant stakeholders. Majority of the stakeholders contended that the value of Lithium Ion Battery was grossly under-invoiced by certain importers keeping in view the current market trends and international prices. Their viewpoints were heard in detail in view for the determination of customs values of the subject goods under Section 25A of the Customs Act, 1969. They were requested to submit relevant import documents to substantiate their contentions. For the determination of customs values of subject goods, ninety (90) days' data was retrieved and the same was thoroughly scrutinized. Some references of declared values were also available.

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 in majority of the cases, 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 specifications including Voltage and Ampere Hours (AH) of the same commercial level; however, it could not be solely relied upon due difference in market values. Therefore, 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. However, due to huge variation in prices, this method could not be solely relied upon. Due to the unavailability of manufacturer prices, the computed method under Section 25(8) could not be applied. As a result, the determination of customs

value was carried out using the method outlined in Section 25(9) of the Customs Act, 1969. After adjusting the profit amounts, the C&F value was calculated in accordance with Section 25(9) read with Sections (6) and (7) of the Customs Act, 1969 further read with Customs Rule 121(2) of the Customs Rules, 2001, which are given below:

6. Customs values of Lithium Ion Battery: In view of above the transaction value of the following goods has been determined and hereinafter specified shall be the Customs value for assessment of duty & taxes given against them in the Table below:

S. No.	Description of Goods	PCT Code	Proposed PCT for WBOC	Origin	Customs Values (C & F) in USD whichever is higher	
1	2	3	4	5	6	7
1	Lithium Ion Batteries (IP-20)	8507.6000	8507.6000.1000	All Origins	7/Kg	70/Kg
2	Lithium Ion Batteries (IP-21)		8507.6000.1100		8/Kg	80/Kg
3	Lithium Ion Batteries (IP-65)		8507.6000.1200		9/Kg	90/Kg

Note: The above values do not apply to Lithium-ion Batteries meant for Mobile phones, Laptops, Tablets and similar devices.

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, Collectorates / Directorates of Customs (Appraisalment-West / East / SAPT / PMBQ / JIAP / Enforcement/), Karachi / Hyderabad / (Appraisalment / Enforcement / Ports), Quetta / Gwadar / Khuzdar (Appraisalment / Enforcement / AIIA), (Appraisalment-East / West, Lahore / Faisalabad Appraisalment / Enforcement, Sargodha / Enforcement & Appraisalment, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisalment / 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.