

(This Ruling has been revised / superseded vide Valuation Ruling No. 2009/2025 dated 15-07-2025)

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

No. Misc/43/2017-VII/0210

Dated: 06th February, 2025

VALUATION RULING NO.1967/2025)

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 This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.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

1.	Valuation Ruling	This Valuation Ruling supersedes Valuation Ruling No. 1076/2017 dated 09.03.2017.
2.	Date of meetings with stakeholders	The meetings with relevant stakeholders were conducted on 29.10.2024 & 29.01.2025.

3. Background of the Issue: As the Valuation Ruling is Seven (07) years and eleven (11) months old, the directorate had issued meeting notice on 29.10.2024, but no one attended the meeting. Meanwhile, the Directorate received a hearing notice in case CP 1/2025 wherein the petitioner had filed the petition for issuance or revision of the valuation ruling. Following an analysis of import data, current market trends, and the differences between market prices and customs values, an exercise to determine the customs values of the subject goods was initiated under Sections 25 and 25A of the Customs Act, 1969.

4. Analysis to determine Customs Values: In accordance with the directives issued by the Sindh High Court in CP 1/2025 dated 22.01.2025, a meeting was scheduled for January 29, 2025, to determine customs values of the subject goods. The meeting was attended by relevant stakeholders, including the petitioner and their legal counsel. The petitioner argued that only they should be heard, as they were the sole petitioner in CP 01/2025. During the meeting, they were asked to submit their supply contract with Emaar, which they initially contested. However, upon being informed that the valuation ruling would be issued following a market inquiry under Section 25(7) of the Customs Act, 1969 so they committed to submit the contract along with documentary evidence within two days but ultimately failed to do so. The perspectives of other stakeholders were also considered in detail. Their viewpoints were thoroughly considered in relation to the determination of customs values under Section 25A of the Customs Act, 1969. However, despite the specified time period having lapsed, the contract was not provided. For the determination of customs values of the subject goods, data covering a period of ninety (90) days was retrieved and thoroughly scrutinized.

5. Method(s) adopted to determine Customs values: Valuation methods specified in Section 25 of the Customs Act, 1969, are duly considered in sequential order to arrive at the 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 due to absence of information as required under 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. However, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidence of quantities and qualities. Information available was, hence, found incomplete. Subsequently, similar goods value method provided in Section 25(6) was also examined for applicability to determine Customs values of subject goods and was not considered (for application) due to afore-stated reasons. Moreover, Declared Values (DV) of similar goods had showed consistent variations. Hence, this method was also found inapplicable. 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. 14/2014 dated 19-03-2024 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 which are as under:

6. Customs values of Gas/Electric Water Heater - In view of above the transaction value shall be the Customs value for assessment of duty & taxes given against them.

S. No.	Description	Brands	PCT Code	Proposed PCT Codes	Origin	Customs Values US\$/Litre
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Electric Water Heater	All Brands	8516.1010 8516.1090	8516.1010.1000 8516.1090.1100	China	3.20
2				8516.1010.1200 8516.1090.1300	Other Origins	4.00
3	Gas Water Heater	All Brands	8419.1110 8419.1190	8519.1110.1000 8519.1190.1100	China	3.40
4				8519.1110.1200 8519.1190.1300	Other Origins	4.20
5	Hybrid Water Heater (Gas + Electric)	All Brands	8516.1010 8516.1090 8419.1110 8419.1190	8516.1010.1000 8516.1090.1100 8519.1110.1200 8519.1190.1300	China	3.80
6				8516.1010.1400 8516.1090.1500 8519.1110.1600 8519.1190.1700	Other Origins	4.50

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.