



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

RULING U/S 25-A NO. 3/9

No. Misc/16/2008-VIIA

Dated 18-05-2011

Note :

- i) *The customs value determined under this Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.*
- ii) *Review application against this valuation ruling may be filed before the Director-General of Valuation under Section 25D of the Customs Act, 1969, within thirty (30) days from the date of determination of customs value under this ruling.*

The Collectors of Customs, Model Customs Collectorates (Appraisement/ PaCCS/ Port Qasim/ Preventive), Karachi/ Lahore/ Sambrial (Sialkot)/ Faisalabad/ Multan/ Islamabad/ Hyderabad/ Quetta/ Peshawar.

SUBJECT: DETERMINATION OF CUSTOMS VALUES OF BICYCLE PARTS/COMPONENTS UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969.

A Valuation Ruling No.201/2009, dated 21.12.2009, was issued in respect of Bicycles Parts/Components by this Directorate General but the same was declared ultra-vires by a Division Bench of the Honourable High Court of Sindh, Karachi, vide its judgement in Constitution Petition No.2673/2009, dated 28.02.2011. The Honourable High Court observed in its judgement that the ruling does not refer to any of the methods of Section 25 of the Customs Act, 1969. It was, therefore, ordered by the Honourable Court to make a fresh determination of the value under Section 25-A. In pursuance of Honorable High Court of Sindh Judgment, meetings for determination of customs values of bicycle parts with all stakeholders were fixed for 21.03.2011 and 16.04.2011, which were attended only by representatives of Pakistan Cycle Industrial Cooperative Society Ltd; as no one from the importers turned up. Manufacturers were of the view that prices of bicycle parts should be about US\$ 2.35/Kg and submitted their cost analysis to support their contention. However, since the commercial importers did not participate in the meeting though they were invited twice and notices were served upon their given addresses, therefore, their view point could not be ascertained.



... of values imported under section 25(1), 15 & 16 of the Customs Act, 1969 was examined which reflected large variation in declared values of various importers. Hence, import data could not be relied upon to be taken as the basis to determine the customs values. Local market values inquired to work back and arrive at prices prevailing in the local market showed that goods are sold-out in pieces/parts and not by weight. Since the values of bicycle parts are to be determined as per unit of measurement (UOM) given in Pakistan Customs Tariff e.g. kilogram, the market values were converted into kilograms, keeping in view their individual weight, and worked back under deductive value method, as envisaged under Section 25(7) of the Customs Act, 1969. As a result following value are determined under Section 25-A of the Customs Act, 1969.

S.No.	Description of Goods	P.C.T.	Origin	Customs Values (C&F)
(1)	(2)	(3)	(4)	(5)
1.	Bicycle components and parts, of metal	7315.1120 8714.9100 8714.9200 8714.9310 8714.9900	China	US\$ 1.60/Kg
2.	Bicycle components and parts, of rubber	8714.9500 8714.9900	China	US\$ 1.10/Kg

3. All the Customs Collectorates are advised to finalize assessment on the values mentioned above. However, if the invoice value is higher than the value in this ruling, then such higher value shall be adopted for assessment purpose, in terms of Section 25 of the Custom Act, 1969.

Muhammad Tahir
(MUHAMMAD TAHIR)
DIRECTOR

Distribution

1. S.A to Chairman, Federal Board of Revenue, Islamabad.
2. Member (Customs), Federal Board of Revenue, Islamabad.
3. Chief Collectors of Customs (North/South), Lahore/Karachi.
4. The Director General of Intelligence Investigation-FBR, Islamabad.
5. The Director General of Customs Valuation, Karachi.
6. The Director General of Post Clearance Audit, Karachi.
7. The Directors of Intelligence Investigation-FBR, Karachi/ Lahore/ Islamabad.
8. The Deputy Director (Hqrs.), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & PaCCS database on the date of issue of this ruling.
9. Chairman (Valuation Committee), FPCC&I, Federation House, Karachi.
10. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
11. Karachi Customs Agents Group (KCAG), Bohri Road, Karachi
12. Guard File.