

SL-NO. 77/2011- Policy- 2-6-11

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

RULING U/S 25-A NO. 329

Dated 30-05-2011

No. Misc/22/2009-VIA/1501

Note:

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Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.

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 Collectorate (Appraisement/ PaCCS/ Port Qasim/ Preventive), Karachi/ Lahore/ Sambrial (Sialkot)/ Faisalabad/ Multan/ Islamabad/ Hyderabad/ Quetta/ Peshawar.

CUSTOMS VALUES OF "REPLACEMENT AUTO PARTS"
DETERMINED U/S 25-A OF THE CUSTOMS ACT, 1969

Value of replacement auto parts was earlier determined vide Ruling C.No.Misc/23/2006-VIA/5020, dated 19-08-2006. However, due to multiple valuation related issues against the values determined vide earlier valuation ruling, the same was not uniformly implemented by the field collectorates. Meanwhile the issue was also agitated before the honourable Federal Tax Ombudsman, vide complaint No.305/LHR/Cus(13)/536/2010, whereon, in his findings, the honourable F.T.O. recommended to bring uniformity in assessment at all collectorates. In order to comply with the aforesaid findings of the FTO, the earlier valuation ruling was taken up for revision and fresh value determination.

2. Several meetings on the issue were held with all stakeholders, including representatives of MCC (Appraisement), MCC (Port Muhammad Bin Qasim), Federation of Pakistan Chambers of Commerce and Industry, Pakistan Automobile Manufacturers Association, Pakistan Association of Automotive Parts and Accessories

Issue raised



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Manufacturers Association, Pakistan Automobiles Spare Parts Importers and Dealers Association for the determination of values. During meetings the importers requested for decrease in values owing to decrease in prices of basic raw materials, and smuggling. The manufacturers, assemblers and vendors including M/s. Indus Motor Company Ltd; M/s. Pak Suzuki Motors Ltd; and their representative bodies M/s. PAMA and M/s. PAPAAM challenged the contention of the commercial importers stating that values of auto parts cannot be based solely on basic raw materials and fuel costs, other value adding factors e.g. research & development, design, precision engineering etc. also contribute towards the cost of the same. They further contended that there has been no decrease in the prices of replacement auto parts of M/s. Indus Motors Co. despite recession in global economy or fluctuation in the price of oil.

3. The above mentioned contentions of local manufacturers, importers and trade bodies have been examined in the light of data available and local market survey. The scrutiny of import data could not prove useful as complete description of imported auto parts has not been declared by the importers which is essential to analyze values in correct perspective. Since the import data suffered from such infirmities the same, therefore, could not be adopted for value determination in terms of Section 25(1) of the Customs Act, 1969, nor could the same be used meaningfully in terms of Section 25(5) & (6) of the Act, *ibid*. Moreover, the market survey done in terms of deductive valuation method, under sub-section (7) of Section 25 of the Customs Act, 1969, also yielded distorted results, perhaps due to distortive effect of under invoiced goods and the same could not be relied upon as well as standalone bench mark for value determination of subject goods. Computed value method as envisaged under sub-section (8) of Section 25 of the Act cannot be applied since element of fabrication or other processing employed in terms of section 25(8) (a) and the quantum of profit and general expenses under clause (b) of Section 25 (8) of the Act could not be reliably learnt in the countries of export. In view of aforesaid scenario resort was made to the fall back method of valuation and the following Customs values have been determined under Fall Back Method as envisaged under Section 25(9) of the Customs Act, 1969 :



S.No.	Description	P.C.T. Heading	Origin	Customs Values(C&F)
(1)	(2)	(3)	(4)	(5)
01.	Rubber Parts			
i)	Mounting	4016.9920 4016.9940	China	US\$ 2.07/Kg
	Radiator Hoses	4009.1110 4009.1120 4009.1130 4009.2110 4009.2120 4009.2130 4009.3110 4009.3120 4009.3130 4009.4110 4009.4120 4009.4130	Malaysia, Thailand, Indonesia, Korea, Taiwan Japan Others	US\$ 2.48/Kg US\$ 3.45/Kg US\$ 3.79/Kg
	Bushing	8483.3010		
	Weather Strips Rubber Oil Seals	4008.1110 4008.1910 4008.2110 4008.2910		
ii)	Other rubber parts	4016.9940 8708.9990	China Malaysia, Thailand, Indonesia, Korea, Taiwan Japan Others	US\$ 2.07/Kg US\$ 2.48/Kg US\$ 3.45/Kg US\$ 3.79/Kg
02.	Brake Assembly			
i)	Brake Disc Pads	6813.2020	China	US\$ 2.07/Kg
	Brake Disc Rotor	8708.3010 8708.3020	Malaysia, Thailand, Indonesia, Korea, Taiwan	US\$ 2.48/Kg
	Brake Drums	8708.3020 8708.3031 8708.3032 8708.3039	Japan Others	US\$ 3.45/Kg US\$ 3.79/Kg
	Brake Shoe	6813.2020 6813.8120 8708.3010 8708.3039		



ii)	Other Brake Parts	8708.3010	China	US\$ 2.07/Kg	
		8708.3020			
		8708.3031	Malaysia, Thailand, Indonesia, Korea, Taiwan	US\$ 2.48/Kg	
		8708.3039	Japan	US\$ 3.45/Kg	
03.	Steering & Suspension Group		Others	US\$ 3.79/Kg	
i)	Tie Rod Ends	8708.5010	China	US\$ 2.07/Kg	
		8708.9990			
		Ball Joints	8708.9990	Malaysia, Thailand, Indonesia, Korea, Taiwan	US\$ 2.48/Kg
		Rack End	8708.9990		
	Suspension Arms	8708.8010	Japan	US\$ 3.45/Kg	
		8708.8020			
		8708.8090	Others	US\$ 3.79/Kg	
ii)	Others Steering & Suspension parts	8708.8010	China	US\$ 2.07/Kg	
		8708.8020			
		8708.8090	Malaysia, Thailand, Indonesia, Korea, Taiwan	US\$ 2.48/Kg	
		8708.9410			
		8708.9420			
		8708.9490	Japan	US\$ 3.45/Kg	
		8708.9990	Others	US\$ 3.79/Kg	
04.	Transmission Group				
i)	Clutch Disc	8483.6010	China	US\$ 2.07/Kg	
		8708.9310			
		8708.9390	Malaysia, Thailand, Indonesia, Korea, Taiwan	US\$ 2.48/Kg	
	Clutch Cover	8483.6010	Japan	US\$ 3.45/Kg	
		8708.9310			
		8708.9390	Others	US\$ 3.79/Kg	
	Gears	8708.4090			
	Axle Shafts	8708.5010			
		8708.5020			
		8708.5090			
Universal Joints	8483.6092				
	8708.9990				



ii)	Ring Synchronizer	8409.9140	China	US\$ 4.14/Kg
			Malaysia, Thailand, Indonesia, Korea, Taiwan	US\$ 5.52/Kg
			Japan	US\$ 8.28/Kg
			Others	US\$ 9.10/Kg
iii)	Other Transmission Parts	8708.4090	China	US\$ 2.07/Kg
			Malaysia, Thailand, Indonesia, Korea, Taiwan	US\$ 2.48/Kg
			Japan	US\$ 3.45/Kg
			Others	US\$ 3.79/Kg
05.	Engine Group			
i)	Piston Set	8409.9910	China	US\$ 2.76/Kg
			Malaysia, Thailand, Indonesia, Korea, Taiwan	US\$ 3.45/Kg
			Japan	US\$ 5.24/Kg
			Others	US\$ 5.76/Kg
ii)	Ring Set	8409.9910	China	US\$ 10.35/Kg
			Malaysia, Thailand, Indonesia, Korea, Taiwan	US\$ 11.73/Kg
			Japan	US\$ 14.49/Kg
			Others	US\$ 15.94/Kg
iii)	Liners	8409.9910	China	US\$ 2.07/Kg
	Engine Valves	8409.9020		
	Valve Tappers	8409.9930	Malaysia, Thailand, Indonesia, Korea, Taiwan	US\$ 2.48/Kg
		8409.9920		
		8409.9930		
	Valve Guide Gasket	8409.9930		
		8484.1022		
	8484.1029			



	Oil Pump & Parts	8413.3030 8413.3050	Japan	US\$ 3.45/Kg
	Fuel Pumps & Parts	8413.3030 8413.3050		
	Water Pumps & Parts	8413.3030 8413.3050	Others	US\$ 3.79/Kg
	Cylinder Head	8409.9910		
	Cylinder Block	8409.9910		
	Camshaft	8483.1019		
	Crankshaft	8483.1019		
	Connecting Rods	8409.9930		
iv)	Spark Plug	8511.1000	China	US\$ 4.96/Kg
			Malaysia, Thailand, Indonesia, Korea, Taiwan	US\$ 5.52/Kg
			Japan	US\$ 6.07/Kg
			Others	US\$ 6.68/Kg
v)	Fuel Injection Pump Parts (e.g. Nozzle, Plungers/ Delivery Valve)	8413.3010 8413.3050	China	US\$ 6.90/Kg
			Malaysia, Thailand, Indonesia, Korea, Taiwan	US\$ 9.66/Kg
			Japan	US\$ 13.80/Kg
			Others	US\$ 15.18/Kg
vi)	Other Engine Parts	8409.9930	China	US\$ 2.07/Kg
			Malaysia, Thailand, Indonesia, Korea, Taiwan	US\$ 2.48/Kg
			Japan	US\$ 3.45/Kg
			Others	US\$ 3.79/Kg
06.	Body Parts Group			



i)	Lamps/ Light / Lenses (Front/Back)	8512.2010 8512.2020 8512.2090	China	US\$ 2.07/Kg
	Fender	8708.2931 8708.2939	Malaysia, Thailand, Indonesia, Korea, Taiwan	US\$ 2.48/Kg
	Bonnet / Head	8708.2931 8708.2939	Japan	US\$ 3.45/Kg
	Front Grille	8708.2931 8708.2939	Others	US\$ 3.79/Kg
	Bumper	8708.1020 8413.1090		
	Trunk Lid (Dicky)	8708.2931 8708.2939		
	Doors	8708.2931 8708.2939		
	Bulbs	8539.2110		
	Sealed Beam / Lamp Unit	8539.1000		
	ii)	Other Body Parts	8708.2939	China
Malaysia, Thailand, Indonesia, Korea, Taiwan				US\$ 2.48/Kg
Japan				US\$ 3.45/Kg
Others				US\$ 3.79/Kg
07.	Oil / Air / Fuel Filters Group			
i)	Oil Filter / Element	8421.2310 8421.2390	China	US\$ 2.07/Kg
			Malaysia, Thailand, Indonesia, Korea, Taiwan	US\$ 2.48/Kg
	Air Filter / Element	8421.3110 8421.3190	Japan	US\$ 3.45/Kg
			Others	US\$ 3.79/Kg



4. The aforesaid values are determined under Section 25A of the Customs Act, 1969, for implementation. All the Customs Collectorates are advised to ensure the assessment of the goods as per above mentioned values. However, if the declared / invoice value is higher, the same shall be applied for assessment purpose in terms of Section 25 of the Customs Act, 1969.


(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 (Hqs.), 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, Alwan-e-Tijarat Road, Karachi.
11. Karachi Customs Agents Group (KCAG), Bohri Road, Karachi
12. Guard File.



03/06/2011

Muhammad Asif Islam
Office Secretary
Karachi Customs Agents Association





Wasiq Hussain Khan
General Secretary
Karachi Customs Agents Association