

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION,
CUSTOM HOUSE KARACHI

No.Misc/12/2010-1/1702

Dated 16-06-2011

RULING U/S 25-A NO. 340

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Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.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 (Appraisalment/ PaCCS/ Port Qasim/ Preventive), Karachi/ Lahore/ Sambrial (Sialkot) / Faisalabad/ Multan/ Islamabad/ Hyderabad/ Quetta/ Peshawar.

SUBJECT: DETERMINATION OF CUSTOMS VALUE OF BRAKE FLUID UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.



Valuation of Lubricating Oil/ Brake Oil was determined vide Valuation Ruling No 225/2010, dated 26-02-2010. However, subsequently, M/s Indus Motor Company Ltd; submitted a representation regarding under invoicing in the import of Brake Fluid, being imported from different sources. Accordingly, an exercise was initiated to determine customs values of said product in terms of Section 25-A of the Customs Act, 1969.

2. Meetings were held on 15.10.2010, 03.11.2010 & 11.12.2010 which, were attended by representative of importers and other stakeholders. It was observed that selling price of Toyota brand Brake Fluid DOT-3 (USA origin), being imported by M/s Indus Motors (Toyota subsidiary), was Rs 500/pc, whereas other commercial competitive products of the same grade Brake Fluid i.e. DOT 3 (Saudi Arabia & Japan Origin) were being sold @ Rs. 190 to 200/pc. The declared price (i.e. Rs 500/pc C&F) of import by M/s Indus Motors from their related concern was observed to be comparably higher due to the fact that USA based transactions were shipped from Singapore and routed through Japanese beneficiaries which carried intermediary handling and additional overheads cost of third party involvement. Further, it was examined that the price of competitive product i.e. Brake Fluid DOT3 grade (250ml) i.e. reputed Hascol brand of FUCHS Germany, being imported from Saudi Arabia, was prevailing @ Rs. 142/pc. Other known brands i.e. Seiken (355ml) and Wagner (355ml) holding substantial portion of market, were available at almost the same price.

3. Analysis of import data of PaCCS and One Customs indicated that assorted types of brake fluids were being imported from various sources. Import data indicated prices ranging between US\$ 0.98/Kg to US\$ 3.00/Kg, which reflected that the declared prices of these goods were comparatively lower in comparison to the price prevailing in the international market. The data of identical and similar goods, as envisaged under the provisions of Section 25(1), (5) & (6) of the Customs Act, 1969, thus could not be relied upon. Findings of the market enquiry indicated that imported goods namely Brake Fluid was being imported from various origins but varied in prices due to difference of quality. The prices verified by market enquiry were calculated on work back method and shared with the stakeholders. Keeping in view the whole above referred exercise, and having considered all the factors, following customs values have been determined afresh under Fall Back Method, as envisaged under section 25(9) of the Customs Act, 1969.



S.No.	Description of Goods	H.S Code	Origin	Price
1	2	3	4	5
1	Engine Oil/Gasoline Oil/ Transmission Oil Brake Fluid DOT 3 Toyota (Black) 354 ml	2710.1994	USA	US\$ 2.93/pc =US\$8.27/Litre
2	Engine Oil/Gasoline Oil/ Transmission Oil Brake Fluid DOT 3 Seiken (BF-3) 355 ml/gm	2710.1994	Japan	US\$ 1.14/pc =US\$3.21/ Litre
3	Engine Oil/Gasoline Oil/ Transmission Oil Brake Fluid DOT 3 SK 355 ml	2710.1994	South Korea	US\$ 1.30/pc =US\$3.66/ Litre
4	Engine Oil/Gasoline Oil/ Transmission Oil Brake Fluid DOT 3 FUCHS 250 ml	2710.1994	Saudi Arabia	US\$ 0.79/pc =US\$3.16/ Litre
5	Engine Oil/Gasoline Oil/ Transmission Oil Brake Fluid DOT 3 355 ml - Other brands	2710.1994	All Origin Excluding USA	US\$ 1.12/pc =US\$3.15/ Litre
6	Engine Oil/Gasoline Oil/ Transmission Oil Brake Fluid DOT 3 250 ml - Other brands	2710.1994	All Origin Excluding USA	US\$ 0.78/pc =US\$3.12/Litre
7	Engine Oil/Gasoline Oil/ Transmission Oil Brake Fluid In bulk	2710.1994	All Origin Excluding USA	US\$ 2.83/Litre

Accordingly, these values are hereby determined under Section 25A of the Customs Act, 1969. All the Customs Clearance Collectorates are advised to finalize assessment on the values mentioned above. These values shall remain valid until revised. However, if the invoice value is higher, then such higher value shall be adopted for assessment purpose in terms of section 25 of the Customs Act, 1969


(MUHAMMAD TAHIR)
DIRECTOR

Copy for information to:-

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, Islamabad.
5. The Director General of Customs Valuation, Karachi.
6. The Director General of Post Clearance Audit, Islamabad.
7. The Directors of Intelligence Investigation, 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. The Chairman, (FPCC&I), Karachi.
10. The Chairman, (KCC&I), Karachi.
11. The Secretary, (KCAG), Bohri Road, Karachi
12. Guard File.