



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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No. Misc/20/2010-VIII/4072 RULING U/S 25A No. 397

Dated: 3-11-2011

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Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.*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/ Faisalabad/ Multan/Islamabad/ Hyderabad/ Quetta/ Peshawar.**

Subject: DETERMINATION OF CUSTOMS VALUE OF REPLACEMENT ALLOY RIM AND WHEEL RIM (OTHER THAN ALLOY) UNDER SECTION 25A OF THE CUSTOMS ACT, 1969



Earlier valuation ruling on the subject was issued vide No.310, dated 30.04.2011. Consequence upon receipt of letter of Model Customs Collectorate, PaCCS vide No. MCC/MISC/66/2011-R&D, dated 04-06-2011, stating therein that the value of wheel rim, other than alloy, needed to be revised, based on the evidence of import of raw material for the same. Since the earlier ruling was in any case in need of updation therefore, the same was taken up for fresh determination as per law.

2. Meetings with all stakeholders were held on 22-08-2011, 10-09-2011, 17-09-2011 and 24-09-2011, which were attended by importers' association, Pakistan Automobile Spare Parts Importers & Dealers Association (PASPIDA), as well as local manufacturers namely M/s. Baluchistan Wheel Limited and M/s. Pak Precise Engineering (Pvt) Ltd. They requested for determination of realistic values which may discourage smuggling and prevent under invoicing on the import of all types of Aluminum Alloy Rims and Wheel Rims (other than alloy) from different origins. M/s Indus Motors and M/s

Pakistan Suzuki, informed during the meetings that they import alloy rims as part of CKD kit of vehicles, and that their alloy rims are according to their own design and specification, therefore, instant exercise which is focused primarily on replacement steel/alloy rims, is not really concerned with them. It was also requested to all stakeholders, especially local manufacturers, to submit their sales tax invoices, but all the stakeholders failed to submit the same. In the meeting dated 24.09.2011, importers pleaded that since they sell their goods as replacement parts and most of their buyers are small shopkeepers which are not registered with sales tax therefore they cannot provide the requisite invoices, but no explanation was given by the local manufacturers. The importers also pleaded that the value for alloy rims has been arbitrarily fixed on the higher side, that all over the world aluminum car wheel scrap is available in huge quantities @US\$ 200-700/MT, as a proof, a number of print outs were provided, and pleaded that even if 100 percent conversion charges are added to it still the values determined vide earlier ruling are on much higher side. It was also emphasized by the importers that value of replacement parts is far lower than original ones, and this aspect must be considered, as has been done in the ruling related to replacement motorcycle parts, while determining the values afresh. In view of above scenario it was decided with stakeholders that market enquiry be carried out. Accordingly, the same was got conducted wherein all stakeholders, including the representatives of (PASPIDA), Pakistan Auto Spare Parts Importers & Dealers Association, local manufacturers namely M/s. Pak Precise Engineering (Pvt) Ltd, as well as the importers participated, and duly signed the market prices obtained.

3. The above mentioned contentions of the local manufacturers, importers and trade bodies have been examined in the light of data available and joint local market survey. Since clearances were being made on the values determined vide earlier rulings and many a times even declaration of values is also made as per the same, therefore, import data of the relevant period was not found legally admissible for value determination in terms of Section 25(1), 25(5) & 25(6) of the Customs Act, 1969. Accordingly, Deductive Value Method as envisaged under Section 25 (7) of the Said Act was adopted. 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, therefore, the Computed value method as envisaged under sub-section (8) of Section 25 of the Act cannot be applied. Accordingly



in exercise of power conferred under section 25A(1) of the Customs Act, 1969 (IV of 1969), following prices have been worked out under deductive value method, under section 25(7) of the Act, and are hereby determined under Section 25A of the Customs Act, 1969 :-


S. No.	Description of goods	H.S.Code	Origin	Customs values (C&F)
1	2	3	4	5
01.	Alloy Wheel Rim of all Vehicles	8708.7010	China	US\$ 2.30/kg
02.	Alloy Wheel Rim of all Vehicles		All other origin	US\$ 3.60/kg
03.	Wheel Rim (other than alloy) of all Vehicles	8708.7020	China	US\$ 0.57/kg
04.	Wheel Rim (other than alloy) of all Vehicles		All other origin	US\$ 0.68/kg

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

  
(MUSAMMAD TALIB)  
DIRECTOR

Distribution :-

01. S.A to Chairman, Federal Board of Revenue, Islamabad.
02. Member (Customs), Federal Board of Revenue, Islamabad.
03. Chief Collectors of Customs (North/South), Lahore/Karachi.
04. The Director General of Intelligence Investigation-FBR, Islamabad.
05. The Director General of Customs Valuation, Karachi.
06. The Director General of Post Clearance Audit, Karachi.
07. The Directors of Intelligence Investigation-FBR, Karachi/ Lahore/ Islamabad.
08. The Commissioner, LP. Division, RTO-1, (Coordinator, WeBOC RMS Development Team) Kama) Atta Turk Road, Income Tax Building, Karachi.
09. 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.
10. Chairman (Valuation Committee), JPCC&I, Federation House, Karachi.
11. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
12. Karachi Customs Agents Group (KCAAG), Bohri Road, Karachi.
13. Guard File.

  
21-11-2011