



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

No. Misc/38/2009-VII/VIII/401 / RULING U/S 25A No. 398

Dated: 11-11-2011

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Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.*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 VALUES OF REPLACEMENT AUTOMOTIVE SAFETY GLASS / WINDSCREEN UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.



Earlier valuation ruling on the subject was issued vide No.321, dated 21.05.2011. The importers filed review applications under section 25-D of the Customs Act, 1969, against aforesaid valuation ruling before the Director General of Customs Valuation. The Director General of Customs Valuation vide Order in Review No. 204 to 218/2011, directed therein to revise customs value given in the impugned Valuation Ruling for the goods of Indian origin on urgent basis keeping in view fair comparison with customs value determined for similar goods of China and other origins. Since the earlier ruling as a whole needed updation therefore, the same was taken up for fresh determination as per law.

2. Meetings with all stakeholders were held on 18-10-2011, which were attended by importers' association, Pakistan Automobile Spare Parts Importers & Dealers Association (PASPIDA), representative of Karachi Chamber of Commerce & Industry, as well as local manufacturers namely M/s. Ahmed Glass Industries. In the said meeting, after detailed discussion on the issue it was decided that local manufacturer will provide sales tax invoices of sales, made within last ninety days, of various thickness of windscreen glass to other registered persons on 24.10.2011. The importers also insisted that recently value of float glass has been determined by the Directorate General, the value of windscreen can easily be determined after addition of conversion cost and freight thereon. They were of the view that once this calculation

is carried out it will be obvious that the value for automotive safety glass / windscreen has been arbitrarily fixed on the higher side, specially for China, Malaysia and Thailand origin. It was also decided in the meeting, dated 18.10.2011, with the stakeholders to conduct joint market survey on 20-10-2011, and after detailed discussion on the subject next meeting on the issue was fixed for 25-10-2011, with mutual consent. As per decision in the meeting dated 18.10.2011, market survey was got conducted wherein the representatives of Pakistan Auto Spare Parts Importers & Dealers Association(PASPIDA), as well as the importers participated, and duly signed the prices obtained from the market. However, despite mutual decision, duly consented by the local manufacturers, to conduct local market survey for arriving at fair customs values, the local manufacturer, refrained from participating in the market enquiry and requested vide letter dated 22.10.2011, received on 25.10.2011, for further adjournment of the meeting scheduled for 25.10.2011. Though rest of the stakeholders had turned up for meeting on 25.11.2011, however, the request for adjournment by the local manufacturer was accented to and final meeting with all stakeholder was scheduled for 31-10-2011. However, on the said date yet again request was received from the local manufacture for further adjournment, it is also pertinent to mention that though it was agreed in the meeting dated 18.10.2011, that sales tax invoices shall be submitted by the local manufacturer, none were provided to this office.

3. Since, issue could not be kept pending, the above mentioned contentions of the local manufacturers, importers and trade bodies were examined in the light of data of imports of the relevant period and joint local market survey. Since clearances were being made on the values determined vide earlier rulings, 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. As a background check working was also carried out, in terms of section 25(8) of the Act *ibid*; based on the prices of float glass and adding thereto 40% conversion charges as well as freight, the values so arrived at were lower than those worked back values under deductive value method, but 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 could not be meaningfully applied. Accordingly in exercise of power conferred under section 25A(1) of the Customs Act, 1969 (IV of 1969), following values have been worked out under deductive value method in terms of 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.	Automotive Safety Glass/ Windscreen (unbranded)	7007.1119	India	US\$ 1.10/kg
			China	US\$ 1.11/kg
			Malaysia	US\$ 1.19/kg
			Thailand	US\$ 1.27/kg
			Korea	US\$ 1.40/kg
			All other Origin	US\$ 1.40/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.


(MUHAMMAD TAHIR)
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, I.P. Division, RTO-I, (Coordinator, WeBOC RMS Development Team) Kamal 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), FPCC&I, Federation House, Karachi.
11. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
12. Karachi Customs Agents Group (KCAG), Bohri Road, Karachi
13. Guard File.


21/11/71