GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI
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The Collectors of Customs, Model Customs Collectorates, Appraisement (East / West)/ Port Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

Determination of Customs Values of RefrigeratorsUnder Section 25-A of the Customs Act, 1969 1036

(VALUATION RULING NO./ 2017)

No. Misc/29/2016-VII 1315 Dated: **February 08, 2017**

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Refrigerators are determined as follows: -

2. **Background of the valuation issue:** Customs values of Refrigerators were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.541/2013, dated 24-01-2013. A number of representations were received to re-determine the customs values afresh in the light of existing international market prices, according to different capacities. Therefore, this Directorate General initiated an exercise for determination of customs values of Refrigerators.

3 **Stakeholders' participation in determination of Customs values:** Different meetings with stakeholders were held. Importers were requested to furnish the following documents before or during the course of meeting:

A. Invoices of imports during last three months showing factual value.
B. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
C. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
D. Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

4. The importers were of the view that the values of Refrigerators have gone down considerably in the international market. Resultantly the difference between the present international prices and the previous values determined vide Valuation Ruling No.541/2013 dated 24-01-2013 is increasing every day and the VR values of Refrigerators have no relevance with actual prevailing international prices. Some documents were submitted in this Directorate General. Resultantly numerous surveys were conducted for determination of the customs values.

5. Method adopted to determine Customs values: Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs values of different brands/capacity and models of Refrigerators. Transaction value method provided in Section 25 (1) was found inapplicable owing to wide variation in the values being declared to the customs. Identical / similar goods value methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of subject goods. Stakeholder's meetings were also scheduled but during the meetings very divergent point of regarding international market prices was presented. Thereafter, market enquiry as envisaged under section 25(7) of the Customs Act, 1969, was conducted. For the purpose different markets were surveyed repeatedly. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of

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export were not available. Online values of subject goods were also obtained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Refrigerators have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Refrigerators:** Refrigerators ***hereinafter*** specified ***shall*** be assessed to duty/taxes at the following Customs Values: -

S.No	Description	PCT	Proposed PCT for WeBOC	Customs Values in US$/ Liter C&F			
				China	Far East/ Middle East/ Egypt	Europe/ USA/Japan	Other Origins
1	Direct Cool Refrigerator Inner Capacity Upto 250 liters - Double Door	8418.1000 8418.2100 8418.2900	8418.1000.1010 8418.2100.1010 8418.2900.1010	0.72	0.83	0.94	0.86
2	Direct Cool Refrigerator Inner Capacity Upto 250 liters - Single Door		8418.1000.1020 8418.2100.1020 8418.2900.1020	0.65	0.75	0.85	0.79
3	Direct Cool Refrigerator Inner Capacity 251 - 500 liters		8418.1000.1030 8418.2100.1030 8418.2900.1030	0.69	0.79	0.90	0.83
4	Direct Cool Refrigerator Inner Capacity 501 liters & above		8418.1000.1040 8418.2100.1040 8418.2900.1040	0.53	0.61	0.69	0.64
5	No Frost Refrigerator Inner Capacity Upto 250 liters Double Door		8418.1000.1050 8418.2100.1050 8418.2900.1050	0.77	0.89	1.00	0.92
6	No Frost Refrigerator Inner Capacity Upto 250 liters Single Door		8418.1000.1060 8418.2100.1060 8418.2900.1060	0.75	0.86	0.98	0.90
7	No Frost Refrigerator Inner Capacity 251-500 liters		8418.1000.1070 8418.2100.1070 8418.2900.1070	0.64	0.74	0.83	0.77
8	No Frost Refrigerator Inner Capacity 501 liters & above		8418.1000.1080 8418.2100.1080 8418.2900.1080	0.88	1.01	1.14	1.06

Note: Above values do not apply to professional grade refrigerators.

7. In cases where declared/transaction values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Sub-

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Section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the element of air freight while assessing the goods.

8. **Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

9. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25-D of the Customs Act, 1969, within 30 days from the date of issue of this ruling, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in this Valuation Ruling for the given description of goods are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in this Valuation Ruling. HS Codes are mentioned for illustrative purposes so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue therein.

11. ***This ruling supersedes Valuation Ruling No.541/2013 dated 24-01-2013.***

(Dr. Wasif Ali Memon)
Director

Copy for information to: -

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisement), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in WeBOC database system and deleting ***Valuation Ruling No.541/2013 dated 24-01-2013***.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.