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 Muhammad Bin Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Peshawar/ Gawadar / Gilgit-Baltistan.

DETERMINATION OF CUSTOMS VALUES OF CAPACITOR (H.S.CODE NO. 8532) UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO.734/ 2015)

No. Misc/10/2013-VII

Dated: May 20, 2015

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

2. **Background of the valuation issue:** The Customs values of Capacitors were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No. 651/2014 dated 27-03-2014. Local manufacturers have strongly agitated against lower determination of values. Moreover, the Ruling was over a year old, therefore, an exercise to determine the Customs values of the said goods was initiated under section 25A was initiated.

3. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. Transaction Value Method under Sub-Section (1) of Section 25 of the Act ibid was found inapplicable because required information under the law was not available. Identical and Similar Goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969 provided some reference values but due to wide variations in the declarations the same could not be relied upon exclusively. In the sequential order this office then conducted market inquiries in terms of Sub-Section (7) of Section 25 of the Customs Act, 1969. Input and feed back by the participants during the Stakeholders' meetings were also considered. All the available information was analyzed and evaluated. Keeping all the above in view, Customs values of capacitors are, determined under Sub section (9) of Section 25 of the Customs Act, 1969.

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4. **Stakeholders' participation in determination of Customs values:** Meetings were held with stakeholders 12-02-2015, 03-03-2015 and 18-03-2015. During the meetings local manufacturers explained that there are different types of capacitors depending on their use and that their values vary significantly. They agitated against very low determination of customs values and that too on the basis of one type of capacitors, i.e., electrolytic motor start capacitors. In support of their arguments, they submitted

values of raw materials used in different types of capacitors and asserted that current values are not even reflective of raw material prices. The importers on the other hand stated that Pakistani capacitors are of very high quality and used only by manufacturers whereas Chinese capacitors are very cheap and used in after sale market and requested to maintain the customs values.

5. Customs values for capacitor: capacitors ***hereinafter specified*** shall be assessed to duty/ taxes at the following Customs value:-

S. No.	Description of goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US$ per Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	Start Capacitor / Electrolytic Capacitors (For pump/water motors etc.)	8532.1000 8532.2200 8532.2500 8532.2900 8532.3090	8532.1000.1000 8532.2200.1000 8532.2500.1000 8532.2900.1000 8532.3090.1000	China	2.80/ kg
02.	Start Capacitor / Electrolytic Capacitors (For Fridge/Freezer's compressors etc)			China	3.00/ kg
03.	Running Capacitors (Outer Plastic Casing) (For Fan, Grinder, Washing Machines, Water Coolers etc.)			China	6.00/ kg
04.	Capacitors in Outer metal casing -Tubular Capacitors -Power Factor High Voltage -Power Factor Low Voltage -AC Capacitors (For Industrial use etc.)			China	6.50/ kg

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6. 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-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 differential between air freight and sea freight while applying the Customs values determined in this Ruling.

7. 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 or section 25-D of the Customs Act, 1969.

8. 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 issuance of this Ruling, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

9. The Collectors of Customs may kindly ensure that the values given in the 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 for redressal.

10. *This Valuation Ruling supersedes Valuation Ruling No.651/2014 dated 27-03-2014.*

(Abdul Rashid Sheikh)
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.
9. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General Internal Audit, (Customs), Islamabad.
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 this Ruling in the system.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisement, 1st floor, Custom House, Karachi.
21. Guard File.