
The Collectors of Customs, Collectorates of Customs (Appraisement West)/ Appraisement - East / SAPT / Appraisement - Port Muhammad Bin Qasim / Enforcement, Karachi / Hyderabad/-(Appraisement Enforcement), Quetta/Gawadar/Khuzdar, (Appraisement/ Enforcement/ AIIA), (Appraisement – East West), Lahore, Faisalabad/ Appraisement, Sargodha/ Enforcement, Sambrial (Sialkot)/ Enforcement, Multan/ Islamabad/ Gilgit-Baltistan/ (Appraisement/ Enforcement), Peshawar/ Enforcement, Dera Ismail Khan, Exports (Port Qasim/Custom House, Karachi)/Transit Trade, Karachi.

Determination of Customs Values of Motorcycle Parts
under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1855 / 2024)

No.Misc/31/2007-VIII/186

Dated: 22-02-2024

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

2. Background of the valuation issue: Earlier, customs values were determined and notified vide Valuation Ruling No.1422/2019 dated 02-11-2019. A representation was received from the Pakistan Motorcycle Spare Parts Importers & Dealers Association (MSPIDA) for redetermination of custom values of Replacement auto parts. Moreover, the Valuation Ruling was more than 4 years old and prices of the said goods have considerably changed in the international market. Therefore, an exercise has been undertaken by the Directorate to determine the same.

3. Stakeholders' participation in determination of Customs values: Meetings were convened on 04-05-2023, 01-06-2023 and 12-02-2024, which were attended by all the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meeting.

4. Analysis / Exercise done to determine Customs values: During the meeting, importers argued that the market prices of Motorcycle Parts are much lower than the Customs Values determined in the previous Valuation Ruling which has also been set aside by the Appellate Tribunal. Representatives of All Pakistan Motorcycle Spare Parts Importers & Dealers Association (MSPIDA) claimed that in the previous Valuation Ruling the values were fixed very high without giving any reason. Resultantly, 40% of the Motorcycle parts in the market are being smuggled. They requested to reduce the prices of the said items in order to enhance the government revenue and to create a fair competition in the market. M/s. Honda Atlas requested to rationalize the values of spark plugs as they have to pay higher duties and taxes just because the values in the Valuation Ruling of China origin spark plugs are higher. To undertake a comprehensive exercise / analysis, ninety (90) days' data has been retrieved, along-with the data

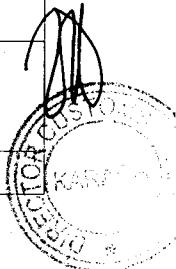


/ trends of import under Afghan Transit trade, and the same have been scrutinized. After a thorough analysis, it is reflected that the import of motorcycle parts through Afghan Transit trade has increased to Rs. 380 million (in 2022-23) as compared to Rs. 35 million (in 2021-22). In addition, market inquiry has been conducted and examined in the light of this Directorate's Office Order No.17/2014 dated 19-03-2014 and in terms of Section 25(7) of the Customs read with Section 25(9) of the Customs Act, 1969.

5. Method (s) adopted to determine Customs values: Valuation methods specified in Section 25 of the Customs Act, 1969, are duly considered in sequential order to arrive at the Customs values of subject goods. The transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable due to absence of information as required under sub-section (2) of Section 25 of Customs Act, 1969. Therefore, identical goods value method provided in Section 25(5) was examined for applicability to determine Customs values of subject goods. However, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidences of quantities and qualities. Information available was, hence, found incomplete. Subsequently, similar goods value method provided in Section 25(6) was also examined for applicability to determine Customs values of subject goods and was not considered (for application) due to afore-stated reasons. Moreover, Declared Values (DV) of similar goods had showed consistent variations. Hence, this method was also found inapplicable. Market enquiry as envisaged under Sub section (7) of Section 25 of the Customs Act, 1969 was also conducted but did not yield tangible results because of variation in market prices. In line with statutory sequential order of section 25, Computed value method, as provided in Section 25(8) of the Customs Act, 1969 was examined, but the same also could not be applied as the conversion cost from the constituent materials and allied expenses, in the country of export, were not available for manufacturing of Auto parts. Finally, the Customs values of the subject goods have been determined under Section 25(9) read with Section 25(7) and Customs Rule 121(2) of Customs Rules, 2001 which provides that the methods of valuation, to be employed under sub-section (9) of section 25 of the Act may be inclusive of those laid down in sub-sections (1), (5), (6), (7) and (8) of the said section, but a reasonable flexibility in the application of such methods would be in conformity with the aims and provisions of sub-section (9) of that section.

6. Customs Values for Motorcycle Auto Parts: All Origins Motorcycle Parts *hereinafter specified* shall be assessed to duty / taxes at following Customs Values:

| S. No. | Description of Goods | H.S Code | Proposed PCT for WeBOC | Origin | Customs Values (C&F) US\$ OEM Brands (Genuine Parts) | Customs Values (C&F) US\$ Commercial Brands (Non-Genuine Parts) |
|--------|------------------------------------|-----------|------------------------|--------|--|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1. | Cylinder Head Cover (Front & Rear) | 8409.9110 | 8409.9110.1000 | China | 6.00 / Kg | 4.00 / Kg |
| 2. | Ring For Piston | 8409.9130 | 8409.9130.1000 | China | 10.00 / Kg | 5.00 / Kg |



| | | | | | | |
|-----|--------------------------------------|-----------|----------------|-------|-----------------|-----------------|
| 3. | Carburetor | 8409.9140 | 8409.914.1100 | China | 9.00 / Kg | 3.20 / Kg |
| 4. | Crank Case (Right & Left) | 8409.9110 | 8409.9110.1100 | China | 5.95 / Kg | 4.25 / Kg |
| 5. | Crank Case Cover (Right & Left) | 8409.9110 | 8409.9110.1200 | China | 5.46 / Kg | 4.00 / Kg |
| 6. | C.D.I. Unit | 8711.2010 | 8711.2010.1000 | China | 0.82 / Pc | 0.24 / Pc |
| 7. | Spring Cam Chain | 7320.9090 | 7320.9090.1100 | China | 0.017 / Pc | 0.015 / Pc |
| 8. | Spring Valve Inner | 7320.9090 | 7320.9090.1200 | China | 0.034 / Pc | 0.03 / Pc |
| 9. | Rectifier Regulator | 8714.1020 | 8714.1020.1000 | China | 1.16 / Pc | 0.39 / Pc |
| 10. | Piston | 8409.9110 | 8409.9110.1300 | China | 5.00 / Kg | 2.25 / Kg |
| 11. | Hub (Front) | 8714.1020 | 8714.1020.1100 | China | 3.11 / Pc | 2.45 / Pc |
| 12. | Hub (Rear) | 8714.1020 | 8714.1020.1100 | China | 3.92 / Pc | 3.00 / Pc |
| 13. | Valve Inlet/Exhaust | 8409.9130 | 8409.9130.1100 | China | 8.00 / Kg | 2.25 / Kg |
| 14. | Cylinder Head | 8301.2010 | 8301.2010.1200 | China | 5.51 / Kg | 2.55 / Kg |
| 15. | Key Lock Set | 8714.1090 | 8714.1090.1000 | China | 0.42 / Set | 0.26 / Set |
| 16. | Drum Gear Shift | 8714.1020 | 8714.1020.1200 | China | 1.30 / Pc | 1.00 / Pc |
| 17. | Shock Absorber (Front) (2Pcs/Set) | 8714.1020 | 8714.1020.1300 | China | 7.44 / 2 Pc Set | 6.15 / 2 Pc Set |
| 18. | Shock Absorber (Rear) (2Pcs/Set) | 8714.1020 | 8714.1020.1300 | China | 6.26 / 2 Pc Set | 5.25 / 2 Pc Set |
| 19. | Clutch Housing Assembly | 8714.1020 | 8714.1020.1400 | China | 3.70 / Pc | 2.20 / Pc |
| 20. | Crank Shaft Assembly | 8483.1012 | 8483.1012.1000 | China | 4.70 / Set | 3.60 / Set |
| 21. | Magneto | 8511.2010 | 8511.201.1000 | China | 6.82 / Pc | 2.95 / Pc |
| 22. | Main Shaft only / Counter Shaft only | 8483.1012 | 8483.1012.1200 | China | 1.01 / Pc | 0.37 / Pc |
| 23. | Wire Harness | 8544.3011 | 8544.3011.1000 | China | 2.63 / Kg | 2.05 / Kg |
| 24. | Gear Main Shaft / Gear Counter Shaft | 8483.1012 | 8483.1012.1500 | China | 0.44 / Pc | 0.32 / Pc |
| 25. | Spring Gear Shift Return | 7320.9090 | 7320.909.1300 | China | 0.035 / Pc | 0.03 / Pc |
| 26. | Cam Chain | 7315.1110 | 7315.1110.1000 | China | 1.50 / Kg | 1.30 / Kg |
| 27. | Spring Valve Outer | 7320.9090 | 7320.9090.1400 | China | 0.044 / Pc | 0.03 / Pc |
| 28. | Bolt B- Cylinder Stud | 7318.1590 | 7318.1590.1400 | China | 1.80 / Kg | 1.60 / Kg |
| 29. | Brake Shoe (Set of 2PC) | 8714.1020 | 8714.1020.1600 | China | 0.44 / 2 Pc Set | 0.34 / 2 Pc Set |
| 30. | Cylinder Body | 8409.9110 | 8409.9110.1400 | China | 1.50 / Kg | 1.25 / Kg |
| 31. | Ignition Coil | 8511.3010 | 8511.3010.1000 | China | 0.70 / Pc | 0.33 / Pc |
| 32. | Spindle Gear Shaft | 8483.1012 | 8483.1012.1600 | China | 0.32 / Pc | 0.27 / Pc |
| 33. | Roller Chain | 7315.1110 | 7315.1110.1100 | China | 1.75 / Kg | 1.25 / Kg |
| 34. | Chain Kit (Chain With Sprocket Set) | 8714.1090 | 8714.1090.1300 | China | 2.50 / Set | 1.75 / Set |
| 35. | Spark Plug | 8511.1000 | 8511.1000.1000 | China | 0.30 / Pc | 0.15 / Pc |

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|-----|--|-----------|----------------|-------|-----------------|-----------------|
| 36. | Spokes With Nipples (Un-Chromed) | 8714.1020 | 8714.1020.1800 | China | 2.55 / Gross | 2.10 / Gross |
| 37. | Axle (Front Wheel) | 8714.1020 | 8714.1020.1900 | China | 0.49 / Pc | 0.38 / Pc |
| 38. | Axle (Centre Pivot) | 8714.1020 | 8714.1020.1900 | China | 0.54 / Pc | 0.42 / Pc |
| 39. | Axle (Rear Wheel) | 8714.1020 | 8714.1020.1900 | China | 0.67 / Pc | 0.52 / Pc |
| 40. | Gear Lever (Gear Shift Pedal) | 8714.1020 | 8714.1020.2000 | China | 0.47 / Pc | 0.36 / Pc |
| 41. | Hub Rubber / Drum Rubber (4PC Set) | 8714.1090 | 8714.1090.1400 | China | 0.25 / 4 Pc Set | 0.18 / 4 Pc Set |
| 42. | Sprocket Panel (Buffer Body) | 8714.1090 | 8714.1090.1500 | China | 1.07 / Pc | 0.57 / Pc |
| 43. | Clutch Boss (Outer Clutch) | 8714.1090 | 8714.1090.1600 | China | 0.86 / Pc | 0.45 / Pc |
| 44. | Drive Plate | 8714.1090 | 8714.1090.1700 | China | 0.94 / Pc | 0.68 / Pc |
| 45. | Brake Cam & Lever Shaft (Rear & Front) | 8714.1020 | 8714.1020.2100 | China | 0.39 / Set | 0.28 / Set |
| 46. | Transmission Complete Assembly | 8483.9030 | 8483.9030.1000 | China | 1.85 / Kg | 1.45 / Kg |



7. In cases, where declared 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 officers shall take into account the difference between air freight and sea freight while applying the Customs values in this Ruling.

8. **Validity of this Valuation Ruling:** This Ruling, containing the Customs values for assessment of subject imported goods, shall be applicable until and unless the same are rescinded or revised by the competent authority in terms of sub-Section (4) of Section 25A of the Customs Act, 1969.

9. **Revision of the values determined vide this Valuation Ruling:** If aggrieved, a revision petition may be filed against this ruling as provided under Section 25D of the Customs Act, 1969, within 30 days from the date of its issuance, 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 the Valuation Ruling, for the given description of goods, are applied by the concerned assessing officers / officials without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. The Customs values determined in this ruling are for the descriptions and specifications as mentioned in Para-6 of this Ruling. HS Codes are mentioned for illustrative purposes so that Valuation Ruling is made accessible to the assessing officers. The assessments

shall be finalized on the basis of correct classifications after fulfilling all formalities related to importability or other certifications required thereon.

11. This ruling supersedes *Valuation Ruling No. 1422/2019 dated 02-11-2019*.



(Fayaz Rasool Maken)
Director

Copy for information to: -

- 1) The Member Customs (Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, Appraisement (South), Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisement (Central), Custom House, Lahore.
- 6) The Chief Collector of Customs, Enforcement (Central), Custom House, Lahore.
- 7) The Chief Collector of Customs (North), Custom House, Islamabad.
- 8) The Chief Collector of Customs, Baluchistan, Custom House, Quetta.
- 9) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 10) The Director General, Intelligence and Investigation (Customs), FBR, Islamabad.
- 11) The Director General, PCA & Internal Audit, Karachi.
- 12) The Director General, IOCO, Karachi
- 13) The Director, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 14) The Director, Transit Trade, Custom House Karachi
- 15) The Director, Directorate of Customs Valuation, Lahore/Quetta/Peshawar.
- 16) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
- 17) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 18) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 19) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 20) The Webmaster, Federal Board of Revenue, Islamabad.
- 21) Guard File.