

No discrimination in policy on valuation of cars: FBR informs MoC

The Federal Board of Revenue (FBR) has conveyed to the Ministry of Commerce that there is no discrimination in policy for customs valuation of European cars vis-à-vis cars of Asian origin. Sources told *Business Recorder* here on Tuesday that the Chief Customs, FBR, informed that there is no discrimination in policy for valuation of cars.

The issue is arising as the European cars are expensive at ex-factory price than the Asian origin cars. Hence, they are evaluated accordingly, the FBR added. The FBR was responding to the issue of discriminatory customs valuation of European cars vis-à-vis cars of Asian origin, resulting in different assessments of customs duties on imported vehicles from these origins. As the proposed meeting among Ministry of Commerce, FBR and the European car manufacturers could not be held due to non-availability of European side, the same meeting may be scheduled in due course of time.

Directorate General of Customs Valuation Karachi has the mandate to issue customs valuation rulings for accurate assessment of taxes on imported goods. The issue of discriminatory customs valuation of European cars vis-à-vis cars of Asian origin has been brought to the notice of the FBR. According to sources, the customs valuation issue is being faced in the case of European car producers which do not have a sale representative company in Pakistan, eg Porsche, and the valuation of imported cars is being done on the basis of car ex-factory price quoted by the manufacturer. This resulted in different rates of customs duties on the import of cars from Europe and Asia. Directorate General of Customs Valuation Karachi determines the custom values of the imported vehicles under section 25A of the Custom Act 1969, taking into account prices prevailing in the international market.

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