

**GOVERNMENT OF PAKISTAN
(REVENUE DIVISION)
CENTRAL BOARD OF REVENUE**

Islamabad, the 18th June, 2001

**NOTIFICATION
(CUSTOMS)**

S.R.O. 450(I)/2001.-¹[In exercise of the powers conferred by section 219 of the Customs Act, 1969 (IV of 1969), section 50 of the Sales Tax Act, 1990, section 40 of the Federal Excise Act, 2005 and section 237 of the Income Tax Ordinance, 2001 (XLIX of 2001), the Federal Board of Revenue is pleased to make the following rules, namely:-]

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**CHAPTER IX
VALUATION**

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**SUB-CHAPTER-IV
SECONDARY METHODS OF VALUATION**

117. Transaction value of identical goods.-(1) In applying sub-section (5) of section 25 of the Act, the appropriate officer shall, wherever possible use a sale of identical goods at the same commercial level and in substantially the same quantities as the goods being valued. Where no such sale is found, a sale of identical goods that takes place under any one of the following conditions may be used, namely:-

- (i) a sale at the same commercial level but in different quantities;
- (ii) a sale at different commercial level but in substantially the same quantities; or
- (iii) a sale at a different commercial level and in different quantities.

(2) Having found a sale under any one of the conditions referred to in sub-rule (1), adjustments shall then be made, as the case may be, for the following, namely:-

- (i) quantity factors only;
- (ii) commercial level factors only; or
- (iii) both commercial level and quantity factors.

(3) For the purposes of sub-section (5) of section 25 of the Act, the transaction value of identical imported goods means a value, adjusted as provided for in clauses (a), (b) and (c) of sub-section (5) of that section, which has already been accepted under sub-section (1) of the said section 25.

(4) A condition for adjustment because of different commercial levels or different quantities shall be that such adjustment, whether it leads to an increase or a decrease in the value, be made only on the basis of demonstrated evidence that clearly establishes the reasonableness and accuracy of the adjustment, e.g., valid price lists containing prices referring to different levels or different quantities. As an example of this, if the imported goods being valued consist of a shipment of ten units and the only identical goods for which a transaction value exists involved a sale of five hundred units, and it is recognized that the seller grants quantity discounts, the required adjustment may be accomplished by resorting to the seller's price list and using that price applicable to a sale of ten units. This does not

¹ Existing preamble substituted and shall be deemed always to have been so substituted vide SRO 831(I)/2018 dated 2nd July, 2018. At the time of substitution was as under:-
"In exercise of the powers conferred by section 219 of the Customs Act, 1969 (IV of 1969), the Central Board of Revenue is pleased to make the following rules, namely:--"

require that a sale had to have been made in quantities of ten as long as the price list has been established as being bona fide through sales at other quantities.