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

C.NO. 1(1)s/Val/2000 Islamabad, the 29th Nov. 2000

<u>CUSTOMS GENERAL ORDER NO. 22 OF 2000</u>

SUBJECT: **<u>INSURANCE CHARGES AS PART OF CIF VALUE OF IMPORTS FOR PURPOSES OF ASSESSMENT OF DUTIES AND TAXES.</u>**

Representations have been made to CBR against the fixation of flat rate of 1% insurance charges that are to be added to the value of imported goods for assessment under Customs General Order 39 of 1999 dated 2.10.1999.

2. The issue has been examined in CBR. According to sub-section 2(a) of section 25 of the Customs Act, 1969, customs value of imported goods is to be determined after making compulsory adjustments to the price actually paid or payable, determined as per sequential methods of valuation. The cost of insurance which is one of such adjustments is required to be added to the price actually paid or payable for the imported goods, if not already included in the price. The addition to the price actually paid or payable is to be made on the basis of objective and quantifiable data.

3. In view of the legal position given in para 2 above, CBR is of the view that in cases where actual insurance mamos are issued by the insurance companies, the actual amount paid may be accepted as the cost of insurance . In cases where valid evidence of actual amount of insurance paid is not available, the insurance cost may be added in accordance with the import tariff schedule (insurance rates0 issued by Insurance Corporation of Pakistan for determination of customs value under section 25 of the Customs Act, 1969.

4. Field formations are required to compute the insurance charges of imported goods accordingly.

5. This supersedes Customs General order 39 of 1999, dated 2nd October, 1999.

(Dr. Zulfiqar Ahmed Malik)
(Secretary (Valuation)