



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorates, Appraisement (East / West) / Port Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Peshawar / Gawadar / Gilgit-Baltistan.

Determination of Customs Values of Garments of Low end Brands of China, Indonesia, Malaysia, UAE, Bangladesh, Sri Lankan, Thailand and Vietnam; Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 886/2016)

No. Misc/13/2007-III/IV

9026

Dated: 25-07-2016

In exercise of powers conferred under Section 25-A of the Customs Act, 1969 Customs values of China, Indonesia, Malaysia, UAE, Bangladesh, Sri Lankan, Thailand and Vietnam origin are determined as follows:-

2. Background of the valuation issue: Consequent to withdrawal of valuation ruling no. 825/2016 dated: 05-04-2016 as per orders of Director General, whereby specific instructions were passed down to revisit the values of subject goods to reflect actual values of individual items, by conducting thorough market survey from different markets. Furthermore, the matter regarding valuation of subject goods was also highlighted in the FPCCI. In compliance of Director General Valuation orders a re-determination of custom values of these goods was deemed necessary to reflect the current price trend of these goods in the international market, hence, an exercise was initiated to re-determine custom values of Low-end brands of garments of subject origins, in terms of Section 25-A of the Customs Act, 1969.

3. Stakeholders' participation in determination of Customs values: Meeting was held on 22-07-2016 with all the stakeholders including local manufacturers of subject goods and representatives of clearance Collectorate who participated. The importers argued that they represented a sector that was totally unregulated a few years back and that they buy the cheapest goods available to them, they requested that the values of their individual items may be gradually raised to give them cushion to conclude their existing contracts. The importers were informed that redetermination would be done strictly in accordance with law and undue enrichment by way of excessive profiteering could not be allowed. PRGMEA, representing the local industry and exporters, also provided their input as industry experts and they challenged the contention of the importers that the actual prices in international market have fallen. Furthermore, the importers insisted that due to recession in the global market the prices are low and any increase



in values will lead to smuggling and the government revenue would suffer. This aspect was duly considered while determining the values.

4. Method adopted to determine Customs values: Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to address the particular valuation issue at hand. The transaction value method as provided in Sub-Section (1) of Section 25, found inapt in light of the wide variety of manipulated / fabricated invoices produced at import stage, hence requisite information required under law was not available to arrive at the correct transaction value. Identical / similar goods value method provided vide Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to determine Customs value of subject goods, this data provided some references, however, it was found that the same cannot be solely relied upon due to the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc., and also it was also observed that importers mostly provided misleading description while declaring goods, as other types and varieties of similar goods to avoid the application of valuation ruling. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969, however, it was found that the determination of Customs value could not be based solely upon this method either. Therefore, valuation method provided vide Section 25 (8) of Customs Act 1969, could not be applied as the conversion cost from constituent materials and allied expenses, at country of export were are not available. Finally, Pral database, market information and international prices through Web were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject good. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive at the assessable customs values of under-consideration garments of subject origins.

5. Customs values for Low end Brands of Garments: Custom values of Low-end Brands of China, Indonesia, Malaysia, UAE, Bangladesh, Sri Lankan, Thailand and Vietnam origin *are specified vide Annex "A" of this ruling (enclosed as "annexure A")* and shall be assessed to duty / taxes on the custom values specified therein. Furthermore, it is reiterated that these values are only for low-end brands of specified origins and shall not be applicable for high end / well known branded garments such as Zara, Boss, Marks & Spencer, Next, Dockers, Levis, Mango, Yellow, Debenhams (Red Herring, Maine, Collection, Hammond and Co., Jeff Banks, Jasper Connan etc.) Banana Republic, Gap, Giordano, Pierre Cardin, Wrangler, Splash, Mothercare, Baby Shop, Armani Exchange, Calvin Klein, Diesel, Lee, Timberland, Tommy Hilfiger etc. **Moreover, clearance Collectorates are advised and cautioned to take cognizance of Intellectual Property Rights violations, during import clearance of subject goods.**



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. The Custom values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein, HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct PCT-classification after fulfilling requisite formalities relating to importability or other certifications required thereon.

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 of the Customs Act, 1969.

8. **Revision of the value determined vide this Valuation Ruling:** This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, under Section 25-D of the Customs Act, 1969, within 30 days from the date of issue 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 Directorate General immediately.

10. *This Ruling supersedes Valuation Ruling No.825/2016 dated 05-04-2016.*



(Dr. Wasif Ali Memon
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.

09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
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 in One Customs & WeBOC database system and deleting Valuation Ruling No. 825/2016 dated 05-04-2016
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.

Garments of Low end Brands of China, Vietnam, Indonesia, Thailand, Malaysia, UAE, Bangladesh, Sri-Lanka and Other Origins C&F Customs Value US\$ Per Pcs

S.NO	Description of goods	PCT Heading	Proposed PCT for WeBoc	Origins	Custom Values in US\$/Pcs
1	Mens Suit (2 piece Coat & Pant)	6101.2000 6101.3000 6101.9000 6102.2000 6102.3000 6102.9000 6103.1000 6103.2200 6103.2300 6103.2900 6103.3200 6103.3300 6103.3900 6104.1300 6104.1900 6104.2200 6104.2300 6104.2900 6104.3200 6104.3300 6104.3900 6203.1200 6203.1910 6203.1990 6203.2200 6203.2300 6203.2900 6203.3200 6203.3300 6203.3900	6101.2000.1000 6101.3000.1000 6101.9000.1000 6102.2000.1000 6102.3000.1000 6102.9000.1000 6103.1000.1000 6103.2200.1000 6103.2300.1000 6103.2900.1000 6103.3200.1000 6103.3300.1000 6103.3900.1000 6104.1300.1000 6104.1900.1000 6104.2200.1000 6104.2300.1000 6104.2900.1000 6104.3200.1000 6104.3300.1000 6104.3900.1000 6203.1200.1000 6203.1910.1000 6203.1990.1000 6203.2200.1000 6203.2300.1000 6203.2900.1000 6203.3200.1000 6203.3300.1000 6203.3900.1000	China / Vietnam Indonesia / Thailand / Malaysia / UAE Bangladesh / Sri-Lanka Others	20/Suit 22/Suit 21/Suit 24/Suit
2	Mens Blazers Coat	6101.2000 6101.3000 6101.9000 6102.2000 6102.3000 6102.9000 6103.1000 6103.2200 6103.2300 6103.2900 6103.3200 6103.3300 6103.3900 6104.1300 6104.1900 6104.2200 6104.2300 6104.2900 6104.3200 6104.3300 6104.3900 6201.1200 6201.1300 6201.1900 6201.9200 6201.9300 6201.9900 6202.1200 6202.1300 6202.1900 6202.9200 6202.9300 6202.9900 6203.1200 6203.1910 6203.1990 6203.2200 6203.2300 6203.2900 6203.3200 6203.3300 6203.3900	6101.2000.1100 6101.3000.1100 6101.9000.1100 6102.2000.1100 6102.3000.1100 6102.9000.1100 6103.1000.1100 6103.2200.1100 6103.2300.1100 6103.2900.1100 6103.3200.1100 6103.3300.1100 6103.3900.1100 6104.1300.1100 6104.1900.1100 6104.2200.1100 6104.2300.1100 6104.2900.1100 6104.3200.1100 6104.3300.1100 6104.3900.1100 6201.1200.1100 6201.1300.1100 6201.1900.1100 6201.9200.1100 6201.9300.1100 6201.9900.1100 6202.1200.1100 6202.1300.1100 6202.1900.1100 6202.9200.1100 6202.9300.1100 6202.9900.1100 6203.1200.1100 6203.1910.1100 6203.1990.1100 6203.2200.1100 6203.2300.1100 6203.2900.1100 6203.3200.1100 6203.3300.1100 6203.3900.1100	China / Vietnam Indonesia / Thailand / Malaysia / UAE Bangladesh / Sri-Lanka Others	13/Pc 14.3/Pc 13.65/Pc 15.6/Pc
3	Gents / Ladies Trouser(Dress Pant / Jeans, Lowers)	6103.4200 6103.4300 6103.4900 6104.6200 6104.6300 6104.6900 6203.4110 6203.4190 6203.4200 6203.4300 6203.4900.	6103.4200.1000 6103.4300.1000 6103.4900.1000 6104.6200.1000 6104.6300.1000 6104.6900.1000 6203.4110.1000 6203.4190.1000 6203.4200.1000 6203.4300.1000 6203.4900.1000	China / Vietnam Indonesia / Thailand / Malaysia / UAE Bangladesh / Sri-Lanka Others	7/Pc 7.7/Pc 7.35/Pc 8.4/Pc
4	Gents / Ladies Shirt / T-Shirt	6105.1000 6105.2000 6105.9000 6106.1000 6106.2000 6106.9000 6109.1000 6109.9010 6109.9090 6205.3000 6205.9090.	6105.1000.1000 6105.2000.1000 6105.9000.1000 6106.1000.1000 6106.2000.1000 6106.9000.1000 6109.1000.1000 6109.9010.1000 6109.9090.1000 6205.3000.1000 6205.9090.1000	China / Vietnam Indonesia / Thailand / Malaysia / UAE	4/Pc 4.4/Pc



Imran Buhari
Additional Director

ALLISON STEPHEN
PRINCIPAL APPRAISER
PAKISTAN CUSTOMS
VALUATION

Shoaib Raza
Deputy Director
Directorate General
Customs Valuation, Karachi

				Bangladesh/ Sri-Lanka	4.2/Pc
				Others	4.8/Pc
				China / Vietnam	6/Pc
				Indonesia / Thailand / Malaysia / UAE	6.6/Pc
				Bangladesh/ Sri-Lanka	6.3/Pc
				Others	7.2/Pc
				China / Vietnam	3.25/Pc
				Indonesia / Thailand / Malaysia / UAE	3.575/Pc
				Bangladesh/ Sri-Lanka	3.412/Pc
				Others	3.9/Pc
				China / Vietnam	12/Suit
				Indonesia / Thailand / Malaysia / UAE	13.2/Suit
				Bangladesh/ Sri-Lanka	12.6/Suit
				Others	14.4/Suit
				China / Vietnam	2.75/Pc
				Indonesia / Thailand / Malaysia / UAE	3.025/Pc
				Bangladesh/ Sri-Lanka	2.88/Pc
				Others	3.3/Pc
				China / Vietnam	3.10/Pc
				Indonesia / Thailand / Malaysia / UAE	3.41/Pc
				Bangladesh/ Sri-Lanka	3.255/Pc
				Others	3.72/Pc



Irrfan Bukhari
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M. T. KHILIO
A.O. Custom Code 63

Shoaib Raza
Deputy Director
Directorate General
Customs Valuation, Karachi

10	Boys & Girls Jackets / Sweaters (Non-Woolen)	6103.3200 6103.3300 6103.3900 6104.3200 6104.3300 6104.3900	6103.3200.1300 6103.3300.1300 6103.3900.1300 6104.3200.1300 6104.3300.1300 6104.3900.1300	China / Vietnam	3.80/Pc
				Indonesia / Thailand / Malaysia / UAE	4.18/Pc
				Bangladesh / Sri-Lanka	3.99/Pc
				Others	4.56/Pc
11	Boys & Girls Under Shirts	6105.1000 6105.2000 6105.9000 6106.1000 6106.2000 6106.9000 6109.1000 6109.9010 6109.9090 6205.3000 6205.9090.	6105.1000.1000 6105.2000.1000 6105.9000.1000 6106.1000.1000 6106.2000.1000 6106.9000.1000 6109.1000.1000 6109.9010.1000 6109.9090.1000 6205.3000.1000 6205.9090.1000	China / Vietnam	0.90/Pc
				Indonesia / Thailand / Malaysia / UAE	0.99/Pc
				Bangladesh / Sri-Lanka	0.945/Pc
				Others	1.08/Pc
				China / Vietnam	2.90/Pc
12	Girls Upper / Top Blouse	6104.3200 6104.3300 6104.3900 6104.5200 6104.5300 6104.5900 6106.1000 6106.2000 6106.9000 6206.3090 6206.4090 6206.9090	6104.3200.1300 6104.3300.1300 6104.3900.1300 6104.5200.1000 6104.5300.1000 6104.5900.1000 6106.1000.1000 6106.2000.1000 6106.9000.1000 6206.3090.1000 6206.4090.1000 6206.9090.1000	Indonesia / Thailand / Malaysia / UAE	3.19/Pc
				Bangladesh / Sri-Lanka	3.045/Pc
				Others	3.48/Pc
				China / Vietnam	8/Pc
13	Boys Blazers (Coat)	6101.2000 6101.3000 6101.9000 6102.2000 6102.3000 6102.9000 6103.1000 6103.2200 6103.2300 6103.2900 6103.3200 6103.3300 6103.3900 6104.1300 6104.1900 6104.2200 6104.2300 6104.2900 6104.3200 6104.3300 6104.3900 6201.1200 6201.1300 6201.1900 6201.9200 6201.9300 6201.9900 6202.1200 3202.1300 6202.1900 6202.9200 6202.9300 6202.9900 6203.1200 6203.1910 6203.1990 6203.2200 6203.2300 6203.2900 6203.3200 6203.3300 6203.3900	6101.2000.1500 6101.3000.1500 6101.9000.1500 6102.2000.1500 6102.3000.1500 6102.9000.1500 6103.1000.1500 6103.2200.1500 6103.2300.1500 6103.2900.1500 6103.3200.1500 6103.3300.1500 6103.3900.1500 6104.1300.1500 6104.1900.1500 6104.2200.1500 6104.2300.1500 6104.2900.1500 6104.3200.1500 6104.3300.1500 6104.3900.1500 6201.1200.1500 6201.1300.1500 6201.1900.1500 6201.9200.1500 6201.9300.1500 6201.9900.1500 6202.1200.1500 3202.1300.1500 6202.1900.1500 6202.9200.1500 6202.9300.1500 6202.9900.1500 6203.1200.1500 6203.1910.1500 6203.1990.1500 6203.2200.1500 6203.2300.1500 6203.2900.1500 6203.3200.1500 6203.3300.1500 6203.3900.1500	Indonesia / Thailand / Malaysia / UAE	8.8/Pc
				Bangladesh / Sri-Lanka	8.4/Pc
				Others	9.6/Pc
				China / Vietnam	2.50/Pc



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No. Customs Code etc.
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Customs Valuation, Karachi

		6203.4100 6203.4190 6203.4200 6203.4300 6203.4900.	6203.4100.1200 6203.4190.1200 6203.4200.1200 6203.4300.1200 6203.4900.1200	Indonesia / Thailand / Malaysia / UAE 2.75/Pc
				Bangladesh/ Sri-Lanka 2.625/Pc
				Others 3.0/Pc
				China / Vietnam 3.00/Pc
				Indonesia / Thailand / Malaysia / UAE 3.30/Pc
15	Baby / Baba (Charm Suit / Romper)	6111.2000 6111.3000 6111.9000 6209.2010 6209.3000 6209.9010 6209.9090.	6111.2000.1100 6111.3000.1100 6111.9000.1100 6209.2010.1100 6209.3000.1100 6209.9010.1100 6209.9090.1100	Bangladesh/ Sri-Lanka 3.15/Pc
				Others 3.6/Pc
				China / Vietnam 2.50/Pc
16	Baby / Baba Trousers, Dress Pants, Jeans	6111.2000 6111.3000 6111.9000 6209.2010 6209.3000 6209.9010 6209.9090.	6111.2000.1200 6111.3000.1200 6111.9000.1200 6209.2010.1200 6209.3000.1200 6209.9010.1200 6209.9090.1200	Indonesia / Thailand / Malaysia / UAE 2.75/Pc
				Bangladesh/ Sri-Lanka 2.625/Pc
				Others 3.0/Pc
				China / Vietnam 2.70/Pc
17	Baby / Baba Jackets Sweaters(Non-Woolen)	6111.3000 6111.9000 6209.3000 6209.9010 6209.9090	6111.3000.1000 6111.9000.1100 6209.3000.1200 6209.9010.1300 6209.9090.1400	Indonesia / Thailand / Malaysia / UAE 2.97/Pc
				Bangladesh/ Sri-Lanka 2.835/Pc
				Others 3.24/Pc
				China / Vietnam 11/Kg
18	Baby / Baba Socks, Bibs, Legging, Tights	6111.9000 6203.4300 6203.4900	6111.9000.1000 6203.4300.1100 6203.4900.1200	Indonesia / Thailand / Malaysia / UAE 12.1/Kg
				Bangladesh/ Sri-Lanka 11.55/Kg
				Others 13.2/Kg
				China / Vietnam 5.5/Pc
19	Gents / Ladies Track Suit	6112.1100 6112.1200 6112.1900 6211.1100 6211.1200 6211.4900 6103.4900 6104.6900 6109.9090 6111.3000 6112.1200	6112.1100.1000 6112.1200.1200 6112.1900.1300 6211.1100.1000 6211.1200.1100 6211.4900.1000 6103.4900.1000 6104.6900.1000 6109.9090.1000 6111.3000.1000 6112.1200.1000	Indonesia / Thailand / Malaysia / UAE 6.05/Pc
				Bangladesh/ Sri-Lanka 5.775/Pc
				Others 6.6/Pc

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