

**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 Home Theaters and Speakers Under**  
**Section 25-A of the Customs Act, 1969**

**VALUATION RULING NO. 969/ 2016)**

No. Misc/06/2013-VII

Dated: November 16, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Home Theaters and Speakers are determined as follows: -

2. **Background of the valuation issue:** Customs values of Home Theaters and Speakers were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.656/2014, dated 28-03-2014. The Valuation Ruling required revision in line with the prevailing prices in the international market. Therefore, this Directorate General initiated an exercise for determination of Customs values of Home Theaters and Speakers.

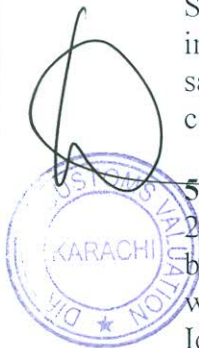
3 **Stakeholders' participation in determination of Customs values:** Different meetings with stakeholders were held and a final meeting was held on 26-07-2016. Importers had been requested to furnish the following documents before or during the course of meeting:

- A. Invoices of imports during last three months showing factual value.
- B. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- C. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- D. Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

The meeting was attended by the importers and the officers from field formations. No documents were submitted in this Directorate General on or even after the said scheduled meetings.

4. During the meeting importers were of the view that the values of Home Theaters and Speakers have considerably reduced in the international market as compared to the values determined in the existing valuation Ruling. Importers requested that market inquiry shall be conducted from the local market. The market inquiry was conducted of Home Theaters and Speakers of different brands, types and sizes from different shops in Karachi. However, importers did not submit import invoices, sales tax invoices, literature, representative samples, evidences and other relevant requisite import documents in support of their contentions.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs values of different types / brands Home Theaters and Speakers. Transaction value method provided in Section 25 (1) was found inapplicable owing to wide variation in the values being declared to the customs. Identical / similar goods value methods provided in Section 25 (5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of subject goods. Stakeholder's meetings were also scheduled but during the meetings very divergent point of regarding international market prices was presented. Thereafter, market enquiry as envisaged under section 25(7) of the Customs Act, 1969, was conducted which gave most of the Home Theaters and Speakers bought and sold in the local





market. The different markets were surveyed repeatedly. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of export were not available. Online values of subject goods were also obtained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Home Theaters and Speakers have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Home Theaters and Speakers:** Home Theaters and Speakers specified in Annex-I to this Valuation Ruling *shall* be assessed to duty/taxes at the Customs Values mentioned therein.

7. 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 element of air freight while assessing the goods.

8. **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.

9. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided 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, 7<sup>th</sup> Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in this Valuation 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 this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in this Valuation Ruling. HS Codes are mentioned for illustrative purposes so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue therein.

10. *This ruling supersedes Valuation Ruling No.656/2014 dated 28-03-2014.*

  
(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 (Appraisal), 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.



(Annex-I)



**GOVERNMENT OF PAKISTAN**  
**DIRECTORATE GENERAL OF CUSTOMS VALUATION**  
**CUSTOM HOUSE KARACHI**

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Annex to Valuation Ruling No. 969 dated November 16, 2016

Home Theater Systems and Speakers					
S. No.	Description	H.S. Code	Proposed PCT for WeBOC	Origin	Customs values US\$/Per Set
1	2	3	4	5	6
1	Onkyo Home Theater HT-S5500	8518.2100	8518.2100.1000	China	270
2	Onkyo Home Theater HT-S4505	8518.2100	8518.2100.1010	China	200
3	Harman Kardon Home Theater HKTS 65B 5.1 Ch	8518.2100	8518.2100.1020	China	414
4	Sony DAV-DZ950 5.1 Ch DVD Home Theater System	8518.2100	8518.2100.1030	China	166
5	Bose Acoustimass AM 5 Speaker System	8518.2100	8518.2100.1040	China	220
6	Sony BDV9200 3D Blue-Ray 9.1 Ch Home Theater	8518.2100	8518.2100.1050	China	399
7	Onkyo HT-S5700 5.1 Channel Home Theater	8518.2100	8518.2100.1060	China	268
8	Onkyo HT-S3700 5.1 Channel Home Theater	8518.2100	8518.2100.1070	China	189
9	Klipsch 5.2.2 Built In Atmos Home Theater Speakers	8518.2100	8518.2100.1080	China	3,177
10	Klipsch Quintet 5+ R-10SW Home Theater Speakers	8518.2100	8518.2100.1090	China	486
11	Onkyo H T-S 7705 5.1.2- Channel home Theater	8518.2100	8518.2100.1100	China	378
12	Bose Acoustimass 10 Series V Home Theater Speaker	8518.2100	8518.2100.1110	China	602
13	Sony Shake-X3D Home Audio System	8518.2100	8518.2100.1120	China	270
14	JBL Studio 270 Home Theater Package	8518.2100	8518.2100.1130	China	851
15	Harman Kardon AVR151S + HKTS 11 5.1 Ch Home	8518.2100	8518.2100.1140	China	478

16	Samsung HTF4550 5 Speaker Networking 3D	8518.2100	8518.2100.1150	China	150
17	Definitive Technology PRO CINEMA 1000 SYSTME	8518.2100	8518.2100.1160	China	669
18	Denon AVR-2313 Integrated Network AV Receiver	8518.2100	8518.2100.1170	China	233
19	AV Receiver Harman Kardon AVR 15S + JBL Cinema 510	8518.2100	8518.2100.1180	China	291
20	Harman Kardon AVR 151 + HKTS 65 With Wireless Sub	8518.2100	8518.2100.1190	China	540
21	Denon AVR-X2000 7.1 Ch Integrated AV Receiver with	8518.2100	8518.2100.1200	China	229
22	JBL Cinema SB250 200W 2.1-Channel Soundbar	8518.2100	8518.2100.1210	China	162
23	Samsung HT-H4550K 5.1 Ch 3D Blu-ray home Theater	8518.2100	8518.2100.1220	China	158
24	Harman Kardon BDS580 + HKTS 65 Bundle Blu-Ray	8518.2100	8518.2100.1230	China	831
25	Harman Kardon AVR151 + HKTS 35 5.1 Ch Home	8518.2100	8518.2100.1240	China	473
26	Harman Kardon BDS580 + HKTS 35 Bundle Blu-Ray	8518.2100	8518.2100.1250	China	789
27	Harman Kard0on HKTS 16 + AVR151S 5.1 Ch Home	8518.2100	8518.2100.1260	China	374
28	Harman Kardon BDS580 + HKTS 65 Bundle Blu-Ray	8518.2100	8518.2100.1270	China	831
29	Focal Brand Home Theater (984 Aria, CC Aria, SR-900 Aria, SR-700 Aria and DVD T9i)	8518.2100	8518.2100.1280	China	3,085
30	Lifestyle Sound touch 535 Home Entertainment System Black	8518.2100	8518.2100.1290	Mexico	2,035
31	Lifestyle Sound Touch 525 Home Entertainment System Black	8518.2100	8518.2100.1300	Mexico	1,640
32	<b>Home Theatre Systems with different specifications / origins may be assessed under section 25 of the Customs Act, 1969. Alternatively, Collectorates may provisionally assess the goods and forward the GD to this Directorate General for suitable advice.</b>				

(Altaf Hussain Mangi)  
Valuation Officer

(Ch. Rizwan Bashir Kalair)  
Deputy Director

(Iqbal Ali)  
Principle Appraiser

(Muhammad Iqbal Muneeb)  
Additional Director

(Dr. Wasif Ali Memon)  
Director

