



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/Exports (Karachi/PQ).

Determination of Customs Values of Home Theaters under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. ¹⁰⁹⁵ / 2017)

No. Misc/44/2017-VII

Dated: March 20, 2017

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

2. **Background of the valuation issue:** Customs values of Home Theaters were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.696/2016, dated 16-11-2016. Customs Values of two models of home theatres were notified vide VDB No. 149/2017 dated 6.01.2017. The importers agitated values mentioned in VDB letter vociferously. As the Valuation Ruling also 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, under Section 25A of the Customs Act 1969.

3 **Stakeholders' participation in determination of Customs values:** A meeting with stakeholders was held on 28-02-2017. 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.

4. No documents were submitted in this Directorate General on or before the said scheduled meeting. During the course of the meeting, the stakeholders claimed that the values of Home Theaters of China origin have actually reduced in the international market as compared to the values determined in the existing Valuation Ruling, therefore, the values needed downward revision. They were requested to submit import invoices, sales tax invoices, literature, evidences and other relevant requisite import documents in support of their contentions. Some importers submitted documents in support of their claims. Meanwhile numerous surveys were conducted.

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 Home Theaters. Transaction value method provided in Section 25 (1) was found inapplicable owing to wide



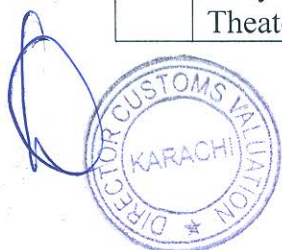
variation in the values being declared to the customs. Identical / similar goods value methods provided in Section 25 (5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied upon due to wide variation in declared values of subject goods. Thereafter, market enquiry as envisaged under section 25(7) of the Customs Act, 1969, was conducted. For the purpose, different markets were surveyed repeatedly. However, owing to variation in prices in different markets, this solely could not be relied upon. 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 have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Home Theaters:** Home Theaters, as *specified herein*, **shall** be assessed to duty/ taxes at the Customs values given are as under:-

S. No	Description	H.S. Code	Proposed PCT for WeBOC	Origin	Customs Value US\$/Set
(1)	(2)	(3)	(4)	(5)	(6)
Home Theaters					
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	Onkyo HT-S5700 5.1 Channel home Theater	8518.2100	8518.2100.1020	China	260
4	Onkyo HT-S3700 5.1 Channel home Theater	8518.2100	8518.2100.1030	China	180
5	Onkyo H T-S 7705 5.1.2- Channel home Theater	8518.2100	8518.2100.1040	China	375
6	Harman Kardon Home Theater HKTS 65B 5.1 Ch	8518.2100	8518.2100.1050	China	410
7	Harman Kardon AVR 151 + HKTS 65 With Wireless Sub	8518.2100	8518.2100.1060	China	540
8	Harman Kardon AVR151S + HKTS 11 5.1 Ch Home	8518.2100	8518.2100.1070	China	470
9	Harman Kardon BDS580 + HKTS 65 Bundle Blu-Ray	8518.2100	8518.2100.1080	China	1400
10	Harman Kardon AVR151 + HKTS 35 5.1 Ch Home	8518.2100	8518.2100.1100	China	440
11	Harman Kardon BDS580 + HKTS 35 Bundle Blu-Ray	8518.2100	8518.2100.1110	China	720
12	Harman Kardon HKTS 16 + AVR151S 5.1 Ch Home	8518.2100	8518.2100.1120	China	340
13	Harman Kardon AV Receiver AVR 15S + JBL Cinema 510	8518.2100	8518.2100.1130	China	280
14	Definitive Technology PRO CINEMA 1000 SYSTME	8518.2100	8518.2100.1140	China	620
15	JBL Cinema SB250 200W 2.1-Channel Soundbar	8518.2100	8518.2100.1150	China	150



16	Bose Acoustimass AM 5 Speaker System	8518.2100	8518.2100.1160	Mexico	221
17	Bose Acoustimass AM 10 Series V Home Theater Speaker	8518.2100	8518.2100.1170	Mexico	480
18	Bose Accoustimass 6V Home Theater Speaker	8518.2100	8518.2100.1180	Mexico	330
19	Bose Accoustimass 3V Home Theater Speaker	8518.2100	8518.2100.1190	Mexico	125
20	Focal Brand Home Theater (984 Aria, CC Aria, SR-900 Aria, SR-700 Aria and DVD T9i)	8518.2100	8518.2100.1200	China	3085
21	Lifestyle Sound touch 535 Home Entertainment System Black	8518.2100	8518.2100.1210	Mexico	1800
22	Lifestyle Sound touch 525 Home Entertainment System Black	8518.2100	8518.2100.1220	Mexico	1750
23	Lifestyle 600 Home Theater	8518.2100	8518.2100.1230	Mexico	1690
24	Denon AVR-2313 Integrated Network AV Receiver	8518.2100	8518.2100.1240	China	215
25	Denon AVR-X2000 7.1 Ch Integrated AV Receiver	8518.2100	8518.2100.1250	China	205
26	Klipsch 5.2.2 Built In Atmos Home Theater Speakers	8518.2100	8518.2100.1260	China	2850
27	Klipsch Quintet 5+ R-10SW Home Theater Speakers	8518.2100	8518.2100.1270	China	450
28	JBL Studio 270 Home Theater Package	8518.2100	8518.2100.1280	China	780
29	Sony DAV-DZ950 5.1 Ch DVD Home Theater System	8518.2100	8518.2100.1290	China	145
30	Sony BDV9200BL 3D Blue-ray 9.1 Ch Home Theater	8518.2100	8518.2100.1300	China	200
31	Sony BDV-N9200WL 5.1 Ch Home Theater	8518.2100	8518.2100.1310	China	111
32	Sony HCD-SHAKE-X7D 5.1 Ch Home Theater	8518.2100	8518.2100.1320	China	115
33	Sony GTK-XB7 2.1 Ch. Home Theater	8518.2100	8518.2100.1330	China	85
34	Sony MHC-GT4D HIFI 3.1 Ch Home Theater	8518.2100	8518.2100.1340	China	85
35	Sony MHC-V44D 5.1 Ch Home Theater	8518.2100	8518.2100.1350	China	105
36	Sony MHC-V11 5.1 Ch Home Theater	8518.2100	8518.2100.1360	China	105
37	Sony MHC-V7D 5.1 Ch Home Theater	8518.2100	8518.2100.1370	China	105
38	Sony HT-CT80 3.1 Ch Home Theater	8518.2100	8518.2100.1380	China	85
39	Sony HT-RT3 3.1 Ch Home Theater	8518.2100	8518.2100.1390	China	85
40	Sony DAV-DZ350 3.1 Ch DVD Home Theater System	8518.2100	8518.2100.1400	China	90
41	Sony DAV-DZ650 3.1 Ch DVD Home Theater System	8518.2100	8518.2100.1410	China	95
42	Sony BDV-E3100 3.1 Ch DVD Home Theater System	8518.2100	8518.2100.1420	China	90
43	Sony BDV-E4100 3.1 Ch DVD Home Theater System	8518.2100	8518.2100.1430	China	95
44	Sony BDV-E6100 3.1 Ch DVD Home Theater System	8518.2100	8518.2100.1440	China	105



45	Sony HCD-SHAKE-X3D 5.1 Ch Home Theater	8518.2100	8518.2100.1450	China	150
46	Samsung HTF4550 5 Speaker Networking 3D	8518.2100	8518.2100.1460	China	125
47	Samsung HT-H4550K 5.1 Ch 3D Blu-ray home Theater	8518.2100	8518.2100.1470	China	145
48	Samsung Home Theater Model HT-F456	8518.2100	8518.2100.1480	China	85
49	Samsung Model HT-J5550K	8518.2100	8518.2100.1490	China	115
50	Samsung Model HT-J5550WK	8518.2100	8518.2100.1500	China	135
51	Above mentioned values of Home Theater System do not incorporate values of TV Sets, and include only necessary components like speakers/ Woofers /Players/ Sound Bars etc.,				
52	Home Theater Systems with different specifications / origins may be assessed under section 25 of the Customs Act, 1969. Alternatively, Collectorate may provisionally assess the goods and forward the GDs to this Directorate General for suitable advice.				

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, 7th 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.

11. ***This ruling supersedes Valuation Ruling No.696/2016, dated 16-11-2016.***

(Dr. Wasif Ali Memon)
Director

Copy for information to: -

1. Member (Customs), F.B.R., Islamabad.