



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 STAINLESS STEEL CUTLERY SET
(LOW END/UNPOPULAR BRANDS) CHINESE ORIGIN UNDER SECTION 25-A OF
THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1108/2017)

No. Misc/08/2017-VI

819

Dated 22-03-2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, customs values of Stainless steel cutlery set Chinese origin are determined as follows:-

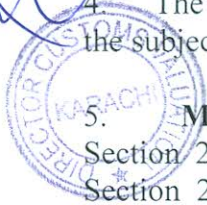
2. **Background of the valuation issue:** Earlier this Directorate General had conducted an audit of clearance values of subject goods and found the same to be on lower side in comparison with the international trading prices and the local selling prices. As an immediate remedial measure, this Directorate General circulated customs values of cutlery set made of stainless steel Chinese origin as one of the risk assessment measures vide Valuation Database letter No.154 dated 06-01-2017. For uniformity of application this Directorate General then initiated an exercise for determination of customs values of Chinese origin cutlery set made of stainless steel under section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of customs values:** A meeting was scheduled on 09-03-2017 one person attended the said meeting. All the stakeholders were requested vide this office letter dated 23-02-2017 to submit the following documents so that correct customs values could be determined:-

- i) Invoices of imports during last three months showing factual value.
- ii) Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- iii) Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- iv) 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. The requisite documents were not submitted by them for determination of customs value of the subject item. Hence, the matter could not be pending for unlimited period.

5. **Method adopted to determine customs values:** Valuation methods provided under Section 25 of the Customs Act, 1969 were followed. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available.



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. Deductive Value Method as envisaged under Section 25(7) of the Customs Act, 1969, was examined and local market enquiry was conducted. Online values were also obtained. 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. All the information collected in above methods was evaluated and analyzed for the purpose of determination of customs values. Keeping in view all the above, customs values of stainless steel cutlery set are determined under sub-section (9) of Section 25 of the Customs Act, 1969.

6. **Customs values for: Stainless steel cutlery set *hereinafter specified*** shall be assessed to duty/taxes at the following customs values:-

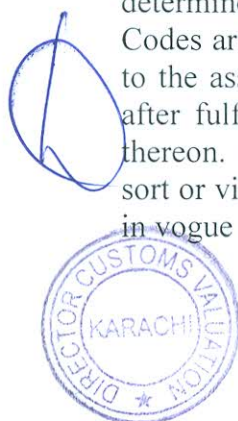
S.No.	Description	HS Code	Proposed PCT for WBOC	Origin	Customs Value US\$/kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	Stainless Steel Cutlery Set (low end/unpopular brands)	8215.2000	8215.2000.1000	China	5.30

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 differential between air freight and sea freight while applying the customs values determined in this Ruling.

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 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 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. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. 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 Valuation Ruling supersede Valuation Database VDB No.154 dated 06-01-2017.


(Dr. Wasif Ali Memon)
Director

Copy for information to:-

1. Member (Customs), FBR, 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), Lahore.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Regional Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting VDB No.154 dated 06-01-2017.
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.