

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

DETERMINATION OF CUSTOMS VALUES OF IRON PAD LOCKS
PCT (8301.1000) UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1416 / 2019)

No. Misc/04/2016-VI/ 12539

Dated: 01, November, 2019

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, Customs values of Iron Pad Locks along with keys are determined as follows:

2. **Background of the Valuation Issue:** Earlier the Customs values of Iron Pad Lock along with keys were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling (VR) No.1144/2017 dated 02-05-2017. The Federal Board of Revenue issued CGO No.15/2019 dated 13th September 2019 and CGO No.17/2019 dated 19th September 2019 and changed the Unit of Measurement (UoM) of a number of PCT headings, including Pad Locks for assessment purposes. This necessitated re-determination of Customs values of said item to bring the Unit of Measurement in conformity with above CGOs.


3. **Stakeholders' Participation in Determination of Customs Values:** Meetings with all the stakeholders, trade bodies including representatives of clearance Collectorates, was held in this Directorate General on 15-10-2019. The importers/stakeholders were requested to submit their proposals/suggestions as well as following documents before or during the course of stakeholders' meetings so that Customs values could be determined:

- i) Invoices of imports during last three months showing customs 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 their contentions.

4. However, no body attended the meeting on aforementioned date and no documents were sent / received for determination of custom values of Iron Pad Lock.

5. **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 arrive at Customs values of subject goods. The transaction value method as provided in sub-Section (1) of Section 25 of the Customs Act, 1969 was found inapplicable due to wide variation of values displayed in the import data. Moreover, no participant of meeting submitted documentary evidences to prove that their declared value was true transactional value. Hence, requisite information required under law was not available to arrive at the correct transaction value. Therefore, identical / similar goods value method as provided in sub-Sections (5) & (6) of Section 25 *ibid* were examined for applicability to the valuation issue in the instant case but due to wide variations in declarations, these methods could not be relied upon exclusively. In line with the statutory sequential order of Section 25, this office conducted a number of inquiries from various markets to arrive at Customs values under sub-Section (7) of Section 25 of the Customs Act, 1969. Finally reliance had to be made on sub-Section (7) of Section 25 of the Customs Act, 1969 to determine Customs values of Iron Pad Lock.

6. **Customs Values for Iron Pad Lock :** Iron Pad Locks *hereinafter specified* shall be assessed to duty / taxes at minimum Customs values:-



Sr. No	Description	Specification (Weight per Piece)	PCT Heading	Proposed PCT for WeBOC	Origin	Custom Value C&F US\$ Per Piece
(1)	(2)	(3)	(4)	(5)	(6)	(7)
01	Iron Pad Locks along with Keys	Up to 50 Grams	8301.1000	8301.1000.1100	China	0.27
					Other	0.35
		From 51 Gram to 81 Grams	8301.1000	8301.1000.1100	China	0.29
					Other	0.38
		Above to 81 Grams	8301.1000	8301.1000.1100	China	0.67
					Other	0.87


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 and the same may be communicated to this Directorate General forthwith. 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 sub-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

9. **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.

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. The Customs 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 classifications after fulfilling requisite formalities relating to importability or other certifications 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 of the Customs Act, 1969 or any other law in vogue therein.

11. ***This ruling supersedes Valuation Ruling No.1144/2017 dated 02-05-2017.***


(Shafique Ahmad Latki)
Director

Copy for information to:

1. The Member (Customs, Operations), F.B.R., Islamabad.
2. The Director General, Directorate General Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisement), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Chief Collector of Customs, (Enforcement), Custom House, Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, Post Clearance Audit (PCA) & Internal Audit, Karachi.
10. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar/ Faisalabad.
11. The Director, Directorate General of Customs, Valuation Custom House, Lahore.
12. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
13. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
14. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
15. The Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
16. The Karachi Customs Agents Group, Bohri Road, Karachi.
17. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi.
18. The Webmaster, Federal Board of Revenue, Islamabad.