

The Collector of Customs, Model Customs Collectorates, Appraisement and Facilitation (East / West) / Port Qasim / Enforcement and Compliance, JIAP, Karachi / (Appraisement and Facilitation / Enforcement and Compliance), AIIA Lahore / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Appraisement and Facilitation Peshawar / Gwadar / Gilgit-Baltistan / Exports (Karachi / Port Qasim) / Transit Trade (Karachi).


DETERMINATION OF CUSTOMS VALUES OF ARTIFICIAL IMITATION
JEWELLERY UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO 1509 /2021)

No. Misc/14/2010-V/51-

Dated: 27-01-2021

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



2. Background of the valuation issue: Earlier the customs values of Artificial Jewellery were determined under section 25A of the Customs Act, 1969, vide Valuation Ruling No. 1376/2019 dated 30-05-2019. The Directorate General of Customs Valuation, Karachi, was tasked by FBR to identify the items / goods where variations w.r.t. values in exporting countries viz-a-viz import values in Pakistan were observed and where Valuation Ruling already exists. Accordingly, a special team was constituted in Directorate General of Customs Valuation, Karachi, which identified the subject items where vast variations in declarations/ specifications were observed. Accordingly, an exercise was initiated to re-determine the customs values of **Artificial Imitation Jewellery** under Section 25-A of the Customs Act, 1969.

3. Stakeholders' participation in determination of Customs values: Meetings with all stakeholders, trade bodies including representatives of clearance Collectorates were held in this Directorate General on 12-11-2020, 25-11-2020 and 03-12-2020. The importers/stakeholders were requested to submit their proposals/suggestions as well as following documents before or during the course of stakeholders' meeting so that Customs values could be determined:


- i. Invoices of import during last three months showing factual values
- 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 meetings were attended by representatives from M/s GA Jahangir & Associates authorized by various importers and stakeholders. The points of view were heard in detail to arrive at customs values of subject goods. The stakeholders claimed that their declared values were true transactional values and may be accepted as such. The stakeholders also submitted their proposal regarding values of Artificial Jewellery but failed to substantiate said values with documentary evidences.

5. **Methods 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 value of subject goods. The Transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable because no substantial documents were provided by the stakeholders to prove that their declared values were true transactional values. Moreover, different values were declared by different importers for the same product according to different origins/specifications. Identical/similar goods value methods provided in Sections 25 (5) & (6) *ibid* were examined for applicability to determine customs values of subject goods. The data provided some references but due to wide variations in declarations, varieties and specifications, the same could not be relied upon exclusively. In line with statutory sequential order of section 25, this office conducted various market inquiries 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 custom values of Artificial Jewellery.

6. **Customs values for Artificial Jewellery** hereinafter specified shall be assessed to duty/taxes on the following minimum customs values given against them in the Table below:-



S.No.	Description of Goods	PCT Code	Proposed PCT for WeBOC	Origin	Custom Value in C&F US\$/ Kg
(1)	(2)	(3)		(5)	(6)
1	Electroplated white/ yellow, without stones/ beads	7117.1900 7117.9000	7117.1900.1000 7117.9000.1000	China	3.85
			7117.1900.1100 7117.9000.1100	Other Origin	5.40
2	Electroplated white/ yellow, with plastic stones/ beads	7117.1900 7117.9000	7117.1900.1200 7117.9000.1200	China	4.40
			7117.1900.1300 7117.9000.1300	Other Origin	6.55

3	Fancy Electroplated white/ yellow, with crystal stones/ beads	7117.1900 7117.9000	7117.1900.1400 7117.9000.1400	China	12.5
			7117.1900.1500 7117.9000.1500	Other Origin	27.35
Note: The values specified above shall not be applicable on branded or designer jewellery. The same will be assessed under Section 25 of the Customs Act, 1969.					

7. In cases where declared/transaction values are higher than the customs values determined in this Ruling or higher evidential data is available of stipulated period 90 days, 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 consignment imported by air, the assessing officer shall take into account the difference between air freight and sea freight while applying the customs values determined in this Ruling.

8. **Validity of Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs values 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, 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 Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the above table of this Ruling. HS Codes are mentioned for illustrative purpose 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. 1376/2019 dated 30-05-2019.***


(Shafique Ahmad Latki)
Director

Copy for information to: -

- 1) The Member Customs (Policy/Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, South (Appraisal), 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, PCA& Internal Audit, Karachi.
- 10) The Director General, IOCO, Karachi
- 11) The Director General, Transit Trade, Custom House Karachi
- 12) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 13) The Director, Transit Trade, Custom House Karachi
- 14) The Director, Directorate of Customs Valuation, Lahore.
- 15) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
- 16) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 17) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 18) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 19) The Webmaster, Federal Board of Revenue, Islamabad.
- 20) Guard File.