

GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/877/2016

Dated: 26<sup>th</sup> December, 2016

**Order in Revision No. 280 /2016 under section 25-D of the Customs Act, 1969  
against Valuation Ruling No.889/2016 dated 27-07-2016**

- i. This copy is granted free of charge for the private use of the person to whom it is issued.
- ii. An appeal against this Order-in-Revision lies to the Appellate Tribunal, Customs having jurisdiction, under section 194-A of the Customs Act, 1969, within stipulated period as prescribed under the law. An appeal should bear a court fee stamp of Rs.1000/- (Rupees one thousand) only as prescribed under schedule-II item 22 of the Court Fee Act, 1870 and must be accompanied by a copy of this Order.
- iii. An extra copy of appeal, if filed, should simultaneously be sent to this office for information and record.
- iv. If an appeal is filed, the appellant should state whether he desires to be heard in person or through an advocate.

M/s Fine Traders & Others

PETITIONERS

VERSUS

Director, Customs Valuation, Karachi

RESPONDENT

Date(s) of hearing

22-09 -2016

For the Petitioners

Mr. Tanveer Usman - M/s Fine Traders  
Mr. Tariq - M/s Kheewa & Sons  
Mr. M. Sadiq - M/s Tariq & Co.  
Mr. Imran Ahmed - M/s Amir Ind.  
Mr. Arshad Gulzar - M/s Waris Sharif

For the Respondent

Mr. Safdar Abbas, Principal Appraiser

This revision petition was filed under section 25-D of the Customs Act, 1969 against customs value determined vide Valuation Ruling No.889/2016 dated 27-07-2016 issued under section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

2. We like to state that your department has issued the impugned valuation ruling for sliders unilaterally and without considering the views of stakeholders during the meeting with honorable Director.

3. Referring previous ruling # 480/12 dated 23.10.2012. The stakeholders explained that it resulted in bad effects on legal imports made by commercial importers and sliders switched over



to smuggled regime. But department did not check even data to verify the facts contented by stakeholders.

4. We further state that the impugned VR issued without taken into consideration of the international prevailing prices of the relative raw material as well ground facts, which is utter violation under section 25 & 25A of Custom Act, 1969 & Customs Rules 2001.

5. According to section 25 A, the concerned officer may issue a valuation ruling but he is required to determine the customs value & not to fix the value. The determination is a multistep exercise at each stage of which there has to be a proper application of mind by the concerned officer. It is therefore, necessary that the Ruling should contain sufficient details, work back method & available valid data to show that Section 25A has been properly applied. We regret that there is no action of aforesaid regulations to justify the validity of your current ruling.

6. The further increase in valuation prices for various made of runners will further destroy the biz for sliders which is a very essential part of zipper & a backbone of export garment industry. We therefore ask you to immediately reverse the above ruling as any legal imports are not feasible at the given prices fixed by valuation department for assessment purpose.

7. In order to bring legal imports to regime we strong recommend to decrease 10% prices of all made of sliders as per Ruling #480/12 dated 23.10.12 also urge the department to again call all stakeholders and accommodate their recommendations for the betterment of imports and tax revenue.

Recommended Revise Prices for Zip Runners  
PCT Heading 9607.2000

<u>Specification</u>	<u>Origin</u>	<u>Ruling #889/2016</u> <u>per kg</u>	<u>Proposed Value</u> <u>per kg</u>
Zinc	China	USD: 3.35	USD3.00
Zinc	Other origin	USD3.51	USD3.15
Brass	China	USD6.40	USD4.80
Brass	Other Origin	USD6.52	USD4.90
Non Magnet Steel	China	USD2.74	USD2.46
Non Magnet steel	Other Origin	USD3.15	USD 2.83
Magnetic Steel	China	USD2.00	USD1.80
Magnetic Steel	Other origin	USD2.50	USD2.25



8. The respondent department was asked to furnish comments to the arguments submitted by the petitioner in the case. Para-wise comments on the petition are given as under:



9. Brief of the case is that It was brought to the notice of this Directorate General of Customs Valuation that Values of Zipper Sliders/Zip Runner (low end brands) have increase in the international market as compared to the determined customs values of Zipper Sliders/Zip Runner vide Valuation Ruling No.480/2012, dated 23-10-2012. The previous 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 value for zipper sliders/zip runner (low end brands).

10. Meetings with stakeholders were held on 21-06-2016 and 19-07-2016, and the importers were requested to furnish the following documents:-

- 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.

11. The meetings were attended the different importers. The importers during the meeting were of the view, that the prices of different kind of Zipper Sliders had not increased in the international market. They, however, could not submit any corroboratory evidence/documents in support of their contention. They requested that they might be allowed some time to furnish evidence and other documents in support of their contentions but to failed to submit any such documents.

12. Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at fair value of Zipper Sliders/Zip Runner (low end brands). Transaction value method provided in Section 25 (1) was found inapplicable owing to wide variation in the values being declared to the customs and incomplete descriptions. 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. Thereafter, market enquiry, as envisaged under Section 25 (7) of the Customs Act, 1969, was conducted. As the stakeholders were not forthcoming with the values of Zipper Sliders/Zip Runner (low end brands), as being traded in the international market, therefore, different markets were surveyed repeatedly for the purpose. Online prices were also obtained to corroborate the findings of the market surveys. Computed Value Method as provided in Section 25 (8) could not be applied for valuation of the aforementioned goods as the cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25 (8) of the Act, in the country of export, could not be ascertained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values of Zipper Sliders/Zip Runner (low end brands). Consequently, the customs values of Zipper Sliders/Zip Runner (low end brands) have been determined under Section 25 (9) of the Customs Act, 1969.





13. Para-wise Comments

Para-1: Need no comments being related to fixation of prices and filing of review application under Section 25D of the Customs Act, 1969

Para-2: Denied. It is to be submitted that while determining the customs values of the subject goods, the meetings were attended the different importers. The importers during the meeting were of the view, that the prices of different kind of Zipper Sliders had not increased in the international market. They, however, could not submit any corroboratory evidence/documents in support of their contention. They requested that they might be allowed some time to furnish evidence and other documents in support of their contentions but to failed to submit any such documents.

Para-3: Denied. It is to be submitted that valuation methods given in section 25 of the Customs Act, 1969 were followed to arrive at fair value of Zipper Sliders/Zip Runner (low end brands). Transaction value method provided in section 25 (1) was found inapplicable owing to wide variation in the values being declared to the customs and incomplete descriptions. 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. Thereafter, market enquiry, as envisaged under section 25 (7) of the Customs Act, 1969, was conducted. As the stakeholders were not forthcoming with the values of Zipper Sliders/Zip Runner (low end brands), as being traded in the international market, therefore, different markets were surveyed repeatedly for the purpose. Online prices were also obtained to corroborate the findings of the market surveys. Computed Value Method as provided in section 25 (8) could not be applied for valuation of the aforementioned goods as the cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25 (8) of the Act, in the country of export, could not be ascertained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values of Zipper Sliders/Zip Runner (low end brands). Consequently, the customs values of Zipper Sliders/Zip Runner (low end brands) have been determined under section 25 (9) of the Customs Act, 1969.

Para-4: Denied. On-line prices were also obtained to corroborate the findings of local market surveys. Hence, all the information so gathered was evaluated and analyzed for the purpose of determination of customs values of Zipper Sliders/Zip Runner (low end brands). Consequently, the customs values of Zipper Sliders/Zip Runner (low end brands) have been determined under section 25 (9) of the Customs Act, 1969.

Para-5: The petitioner have not furnished any corroboratory documents in support of their recommendations to decrease 10% prices of all made of sliders as per Valuation Ruling No.480/2012, dated 23-10-2012. The petitioner have referred old and in valid valuation ruling which cannot be taken in to account in presence of existing Valuation Ruling No.889/2016 dated 27-07-2016.



Para-6: The petitioner have not furnished any corroboratory documents in support of their recommended revised prices for the subject goods

Prayer

14. It is respectfully prayed that the customs values of the subject goods determined keeping in view the valuation methods given in Section 25 of the Customs Act, 1969. The petitioner have not furnished any corroboratory documents in support of their recommended revised prices for the subject goods. Accordingly, the petition has no merit for consideration and is liable to be rejected.

ORDER

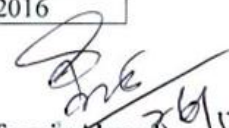
15. The record of the case has been examined in the light of written and verbal submissions put forward by the petitioner.

16. M/s Fahad Traders, M/s Kheewa & Sons and M/s Fine Traders submitted their review application under section 25-D on 22-08-2016 against Valuation Ruling No.889/2016 dated 27-07-2016 of Sliders. The petitioners contended that respondent department has determined customs values unilaterally and without considering the views of stakeholders and resulted devastated effect on legal imports by commercial importers. The department issued valuation ruling without taken into consideration of international prevailing prices of relative raw material. The petitioners/importers gave a proposal for determination of customs values, which was even lower than the previous valuation ruling No. 480/2012 dated 23-10-2012. On the other hand the department has increased the previous values relatively 20% to 25% after a four years gap.

17. Keeping in view of the above, I have deliberated on the case record as well as verbal and written arguments put forth by the petitioners. The arguments of the petitioners carry no weight as the values of the Zipper Sliders have been determined in accordance with the law considering all aspects. Therefore, the Valuation Ruling No. 889/2016 dated 22-08-2016 is upheld and revision petition is rejected.

18. Being identical on facts and law point, this order shall apply mutatis mutandis to the following (05) petition.

S#	Petitioner' Name	File No.
1.	M/s Fahad Traders	DG(V)Val.Rev/877 /2016
2.	M/s Kheewa & Sons	DG(V)Val.Rev/877/2016
3.	M/s Arshad & Co.	DG(V)Val.Rev/888/2016
4.	M/s Salim & Co.	DG(V)Val.Rev/888/2016
5.	M/s Waris Sharif & Co.	DG(V)Val.Rev/888/2016

  
(Syed Tanvir Ahmad)  
Director General



Registered copy to:

M/s Fine Traders  
N.P 14/108, 1<sup>st</sup> floor, Room No.1, Kadir Market,  
Ali Akbar Street, Juna Market, Karachi

M/s Fahad Traders,  
2/4, Akbar Road, Saddar, Karachi

M/s Arshad & Co.  
D-24, Iqbal Centre, M. Jinnah Road, Karachi

M/s Kheewa & Sons,  
Room No.2, 1<sup>st</sup> floor, Bahadur Shah Market,  
M.A.Jinnah Road, Karachi

M/s Waris Sharif & Co.  
Bantwa Centre, Bombay Bazar, Karachi.

M/s Salim & Co.  
Allah Dad Street, Napier Road, Karachi.

Copy to:

1. Member (Customs), FBR, Islamabad.
2. Chief Collectors Customs Appraisement (South)/Enforcement, Karachi/  
(North) Islamabad/(Central) Lahore.
3. Collector, MCC Appraisement (East)/ Appraisement (West)/Port M. Bin Qasim/  
Preventive, Karachi.
4. Collector, MCC, Appraisement/Preventive, Lahore/Quetta/Peshawar/Faisalabad/  
Sambrial/Multan/Hyderabad/Islamabad/Gilgit-Baltistan/Gawadar.
5. Director, Customs Valuation, Karachi/Lahore.
6. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi for uploading  
in One-Customs and WeBOC database.
7. Asstt. Director (Review), Karachi.
8. All Deputy/Assistant Directors (Valuation)
9. Guard File.