

GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

File No. DG (V)/Val.Rev/886/2016

Dated: 29<sup>th</sup> December, 2016

**Order in Revision No. 281/2016 under section 25-D of the Customs Act, 1969  
against Valuation Ruling No.913/2016 dated 23-08-2016**

- 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. Premier Traders & Others ..... PETITIONERS

VERSUS

Director, Customs Valuation, Karachi ..... RESPONDENT

Date(s) of hearing 28-09-2016

For the Petitioners Mr. Farhan Saeed M/s Khan Business Trading  
Mr. M. Iqbal M/s Premier Traders  
Mr. Ismail M/s Bismillah Logistics  
Mr. Kareem M/s Siyal Enterprises

For the Respondent Mr. Altaf Hussain Mangi, Valuation Officer  
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.913/2016 dated 23-08-2016 issued under section 25-A of the Customs Act, 1969, inter alia, on the following grounds as reproduced below:



2. We are the regular importer of used photocopier machines and mostly importing from USA/China etc. Previously the concern Group assessing our GDs in accordance of the valuation ruling 733/2015 dated 20.05.2015 @ US\$ 1.30/Kg but now they have issued the above mentioned valuation ruling 913/2016, dated 23.08.2016 by fixing the prices on too much higher side @ US\$ 1.65/Kg of all origins.

3. In this connection we hereby to say that in international market all the prices of the goods become downward and so that we are not in a position to accept the said valuation ruling.

4. We request your kind honour to please allow for revision of the valuation ruling under section 25-D of Custom Act, 1969.

5. 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:

6. Brief facts of the case are that the Customs values of Used Photocopier Machine were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No.733/2015 dated 20-05-2015. A number of representations were received to re-determine the customs values afresh in the light of existing international market prices, according to the different sizes. Therefore an exercise to determine customs values of Used Photocopier Machine afresh in terms of Section 25-A of the Customs Act, 1969 was initiated. Meetings for the determination of customs values of Used Photocopier Machine with stakeholders were scheduled on 02-08-2016 & 15-08-2016. The stakeholders were requested to submit the following documents before or during the 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.

7. No documents were submitted in this Directorate General on or even after the said scheduled meetings. The meeting was attended by the importers and representative of M/s General Traders (Pvt.) Ltd., Karachi, and the officers from field formations.

8. For the purpose of determination of customs value of used photocopier machine in valuation methods given in section 25 of the Customs Act, 1969 were followed to arrive at customs values of Used Photocopier Machine. 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 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. 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 different brands of Used Photocopier Machine have been determined under Section 25(9) of the Customs Act, 1969 vide Valuation Ruling No. 913/2016 dated 23-08-2016.



PARAWISE COMMENTS

Para (1): Need no comments being introduction of the importers.

Para(2): Denied. It is submitted that the applicant was requested to furnish the required documents, but the petitioners failed to furnish the corroboratory documents to justify their point of view and given opportunities of meetings held on 02-08-2016 & 15-08-2016. But no one appeared nor was any written reply submitted. The existing valuation ruling No. 913/2016 dated 23-08-2016 was issued in the light current price trend. Section 25 (1), (4), (5), (6) & (7) were exhausted and finally section 25 (9) was found applicable for determination of customs value of used photocopier machine.

P R A Y E R

9. It is respectfully prayed that petitioners failed to furnish the corroboratory documents to justify their point of view and the existing valuation ruling No. 913/2016 dated 23-08-2016 was issued in the light current price trend. Section 25 (1), (4), (5), (6) & (7) were exhausted and finally section 25 (9) was found applicable for determination of customs value of used photo copier machine. Accordingly, honourable Director General may graciously be pleased to set aside the petition and maintained the valuation ruling No. 913/2016 dated 23-08-2016 issued under section 25A of the Customs Act. 1969.

ORDER

10. Hearing in this case was fixed on 28-09-2016. Four petitioners appeared and contested the customs values determined for used photocopier machines vide Valuation Ruling No.913/2016 dated 23-08-2016. They contended that customs value for used photocopier machines is determined @ US\$ 1.65/kg vide impugned Valuation Ruling No.913/2016 which is very high and arbitrarily enhanced without any evidence. They stated that previously the customs values of the subject goods were determined at US\$ 1.30/kg vide Valuation Ruling No.733/2016 dated 20-05-2016 They requested that although customs values of used photo copier machines fixed vide previous Valuation Ruling No.733/2016 was also on higher side but for the sake of resolution of valuation dispute they are agree to accept on previous values at US\$ 1.30/kg. They further stated that the prices of the subject goods have been reduced in the international market, (USA / Canada) which can be verified from any international website.

11. The respondent department replied that the meeting of all stakeholders was called and documentary evidence for reduced prices in international market was called but nothing was provided by them. Therefore, the department after going through the valuation methods sequentially under section 25 of the Customs Act, 1969, they have determined the customs value @ US\$ 1.65/kg based on local market prices under section 25A (7) of the Customs Act, 1969

12. After meeting with the stakeholders again an independent market inquiry was conducted which revealed that 15 to 20 brands of used photocopier machines are being sold in the local market. Concerned Group obtained selling prices of all used photocopier machines available in local market i.e. Uni Plaza, I. I. Chundrigar Road. The market prices were worked out by work



back methods under section 25(7), which confirm the average values of used photo copier machines of all brands as per Valuation Ruling.

13. The record of the case has been examined thoroughly. Keeping in view the fresh market inquiry, I have considered the importers submissions. As per fresh market inquiry conducted from different places, the values of used photocopier machine of different brands are maintained. The petition is therefore dismissed.

14. Being identical on facts and law point, this order shall apply mutatis mutandis to the following (03) petition.

S#	Petitioner' Name	File No.
1.	M/s Sial Enterprises	DG(V)Val.Rev/897/2016
2.	M/s Multi Trading	DG(V)Val.Rev/896/2016
3.	M/s Khan Business Trading	DG(V)Val.Rev/903/2016

(Syed Tanvir Ahmad)  
Director General

Registered copy to:

M/s. Premier Traders,  
26, Badri Building, Near Police Head Office,  
I.I. Chandigarh Road, Karachi.

M/s. Sial Enterprises,  
Suite No. 912, 9<sup>th</sup> Floor, Jilani Towers,  
M.A. Jinnah Road, Karachi.

M/s. Multi Trading,  
G-2, International Trade Center, Near Mohammadi House,  
Hasrat Mohani Road, Karachi.

M/s. Khan Business Trading,  
No. 407, 4<sup>th</sup> Floor, Pak Baitul Qayam Building,  
Near MCB Head Office, Karachi.

Copy to:

1. Member (Customs), FBR, Islamabad.
2. Chief Collectors Customs Appraisalment (South)/Enforcement, Karachi/  
(North) Islamabad/(Central) Lahore.
3. Collector, MCC Appraisalment (East)/ Appraisalment (West)/Port M. Bin Qasim/ Preventive,  
Karachi.
4. Collector, MCC, Appraisalment/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.