



Government of Pakistan  
Directorate General of Customs Valuation  
Custom House Karachi

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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/Exports (Karachi/PQ).

**Determination of Customs Values of USB Data Traveler/USB Flash Drive /Memory Card and Memory Card under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. / 2017)

No. Misc/35/2013-VII/1306

1171

Dated: May 25, 2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of USB Data Traveler/USB Flash Drive /Memory Card are determined as follows: -

2. **Background of the valuation issue:** Customs values of USB Data Traveler/USB Flash Drive were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.1082/2017, dated 15-03-2017. The importers filed revision applications against aforesaid Valuation Ruling under section 25-D of the Customs Act, 1969. The Director General has remanded back the case to revisit the Customs Values after considering market realities especially keeping in view trend of legal import vis-à-vis smuggling phenomenon. Therefore, this Directorate General initiated an exercise for re-determination of customs value of USB Data Traveler/USB Flash Drive /Memory Card.

3. **Stakeholders' participation in determination of Customs values:** A meeting with stakeholders was held on 20-04-2017. Importers had been requested to furnish the following documents before or during the course of 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.

4. During meeting the importers were of the view that the everyday technologies are being upgraded in electronics and its new versions are arriving in the market. Now NAND Technology is being introduced, as a result of which the current USBs have lost value and will be gradually replaced. They also claimed that wholesale price and retail price had big gap in this sector, and hence demanded greater profit margins in work back calculations. They claimed that owing to increased values in the Valuation Ruling the import of USBs was being shifted to smuggling, hence the values needed downward revision. They were requested to submit import invoices, sales tax invoices, literature, evidences and other relevant requisite import documents in support of their contentions; they provided some documents to support their proposals.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs values of USB Data Traveler/USB Flash Drive /Memory Card. Transaction value method provided in Section 25 (1) was found inapplicable owing to wide variation in the values being declared to the customs. 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. Thereafter, market enquiry as envisaged under section 25(7) of the Customs Act, 1969, was conducted. For the purpose, different markets were surveyed repeatedly. 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 USB Data Traveler/USB Flash Drive /Memory Card various brands have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for USB Data Traveler/USB Flash Drive /Memory Card:** USB Data Traveler/USB Flash Drive /Memory Cards, as *specified herein, shall* be assessed to duty/taxes at the Customs values given are as under:-

S.No.	Description of goods	PCT	Proposed PCT for WeBOC	Origin	Customs value US\$/Pc
(1)	(2)	(3)	(4)	(5)	(6)
1	USB Data Traveler/USB Flash Drive /Memory Cards Upto 8GB	8523.5190	8523.5190.1000	China	1.06
2			8523.5190.1100	Other Origins	1.40
3	USB Data Traveler/USB Flash Drive /Memory Cards Upto 16GB		8523.5190.1200	China	1.20
4			8523.5190.1300	Other Origins	1.55
5	USB Data Traveler/USB Flash Drive /Memory Cards Upto 32GB		8523.5190.1400	China	1.80
6			8523.5190.1500	Other Origins	2.35
7	USB Data Traveler/USB Flash Drive /Memory Cards Upto 64GB		8523.5190.1600	China	4.10
8			8523.5190.1700	Other Origins	5.30
9	USB Data Traveler/USB Flash Drive /Memory Cards Upto 128GB		8523.5190.1800	China	7.65
10			8523.5190.1900	Other Origins	10.50
11	USB Data Traveler/USB Flash Drive /Memory Cards Upto 256GB		8523.5190.2000	China	27.00
12			8523.5190.2100	Other Origins	35.00

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 element of air freight while assessing the goods.

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:** 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, 7<sup>th</sup> 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 this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in this Valuation Ruling. HS Codes are mentioned for illustrative purposes 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.1082/2017, dated 15-03-2017.*

(Dr. Wasil Ali Memon)  
Director

Copy for information to: -

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisalment), 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), 1<sup>st</sup> Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in WeBOC database system and deleting Valuation Ruling No.1082/2017, dated 15-03-2017.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & Peshawar.
16. Law Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi / MCC, Appraisalment (East/West), Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading FBR website and deleting Valuation Ruling No. 1082/2017, dated 15-03-2017.
22. Guard File.