

The Collectors of Customs, Model Customs Collectorates, Appraisalment (East / West) / Port Qasim / Preventive, Karachi / Lahore (Appraisalment / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan. Collector Exports (Port Qasim/Karachi)/ Director Transit (Karachi)

Determination of Customs Values of Telephones under Section 25-A of the Customs Act, 1969

(Valuation Ruling No. ¹¹⁷² /2017)

No. Misc./62/2017-VII

Dated: May 26, 2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Telephone sets / PABX are determined as follows: -

2. **Background of the valuation issue:** There are many complaints regarding under invoicing in import of telephone sets/ PABX. This Directorate General examined clearance record and found differences in values declared at various customs stations, hence it under took exercise to determine the customs values of Telephone sets / PABX, 25A of the Customs Act, 1969, after due process.

3 **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were held on 17-04-2017 and 19-05-2017. 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. No documents were submitted by anyone. Meetings were also under representative. Resultantly, this Directorate General decided to determine Customs Values after comprehensive exercise of Telephones/PABX sector.

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 Telephone Sets/PABX. 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 Telephones sets / PABX have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Telephone sets/ PABX:** Telephone sets/PABX, as specified herein, shall be assessed to duty/ taxes at the Customs values given as under:-

S. No	Description of goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value USS/PC
(1)	(2)	(3)	(4)	(5)	(6)
1	Telephone Sets without Caller ID/Speaker	8571.1100	8517.1100.1000	China	3.50
2			8517.1100.1100	Far East/ Vietnam/ UAE	5
3			8517.1100.1200	Europe/ USA/ Japan	6.50
4	Telephone Sets with Caller ID/Speaker		8517.1100.1300	China	4.22
5			8517.1100.1400	Far East/ Vietnam/ UAE	6
6			8517.1100.1500	Europe/ USA/ Japan	7.80
7	Cordless Telephone Sets 2.4GHz (Subject to Import Policy Order)		8517.1100.1600	China	7.35
8			8517.1100.1700	Far East/ Vietnam/ UAE	11
9			8517.1100.1800	Europe/ USA/ Japan	14
10	PABX (3 Co Line with 8 Extension)		8517.1100.1900	China	40
11			8517.1100.2000	Far East/ Vietnam/ UAE	50
12			8517.1100.2100	Europe/ USA/ Japan	66
13	PABX (4 Co Line with 8 Extension)		8517.1100.2100	China	45
14			8517.1100.2200	Far East/ Vietnam/ UAE	58
15			8517.1100.2300	Europe/ USA/ Japan	85
16	PABX (6 Co Line with 16 Extension)		8517.1100.2400	China	80
17			8517.1100.2500	Far East/ Vietnam/	115



18		UAE	
19		Europe/ USA/ Japan	144
20	CABINET (16 Extension) PABX EXPENSION	8517.1100.2600	144
21		8517.1100.2700	China
22		8517.1100.2800	Far East/ Vietnam/ UAE
23	Steno Set with (CLI)	8517.1100.2900	Europe/ USA/ Japan
24		8517.1100.3000	China
25		8517.1100.3100	Far East/ Vietnam/ UAE
26	Steno Set without (CLI)	8517.1100.3200	Europe/ USA/ Japan
27		8517.1100.3300	China
		8517.1100.3400	Far East/ Vietnam/ UAE
		8517.1100.3500	Europe/ USA/ Japan

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, 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 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.


(Dr. Wasif 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), 1st 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.
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, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisalment (East/West), Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading FBR website
22. Guard File.