



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorate, Appraisement (East / West) / Port Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan/Exports (Karachi/ Port Qasim), Directorate General of Afghan Transit, Karachi.

Determination of Customs Values of Ladies Hand Bags, Shoulder Bags, Purses and Clutches (Low-end brands) made of Artificial Leather
Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1196/ 2017)

No.Misc/25/2017-III/1617

Dated: August 01st, 2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Ladies Hand Bags, Shoulder Bags, Purses and Clutches (Low-end brands) made of Artificial Leather are determined as follows :-

2. **Background of the valuation issue:** A reference was received from Model Customs Collectorate (Appraisement), Lahore vide letter C.No.V-Cus/Misc/G-II/02/2017/Pt/1119 dated 28.03.2017 for determination of customs value of Ladies Hand Bags, Shoulder Bags, Purses and Clutches (Low-end brands) made of Artificial Leather under Section 25-A of Customs Act, 1969. It was deemed expedient to visit the values so as to ensure that the customs values are in line with prevalent prices in the international market. Hence, an exercise was undertaken to determine customs values of subject goods under Section 25A of the Customs Act, 1969.

3. **Stakeholder's participation in determination of Customs values:** Stakeholders' meetings were scheduled / held on 26.04.2017, 10.05.2017 and 27.07.2017. The meeting on 27.07.2017 was attended by the importers as well as representatives of clearance Collectorate. All participants were requested to submit the following documents:

- i. Invoices of imports during last three months showing factual value.
- 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 three 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 importers. The requisitioned documents were however not submitted by the participants. They contended that their declarations were



correct and reflective of prices prevalent in the international market. All aspects pertaining to the CIF value of subject goods were discussed in detail and input was obtained from all stakeholders.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available as per law. Identical / similar goods value methods provided in Section 25(5) & (6) were also not found helpful in determination of values due to wide variation in values. Consequently, market enquiries as envisaged under Section 25(7) of the Customs Act, 1969, were conducted. Since the manufacturers' costs and raw material prices of producing the goods in question in the country of exportation were not available, computed value method as provided in Section 25(8) could not be applied for valuation of the aforesaid goods. Online values were also checked. All the information so gathered was evaluated and consequently, the customs values of Ladies Hand Bags, Shoulder Bags, Purses and Clutches (Low-end brands) made of Artificial Leather were determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values of Ladies Hand Bags, Shoulder Bags, Purses and Clutches (Low-end brands) made of Artificial Leather:** Ladies Hand Bags, Shoulder Bags, Purses and Clutches (Low-end brands) made of Artificial Leather hereinafter *specified* shall be assessed to duty/taxes on following values: -

S. No.	Description	PCT Heading	Proposed PCT for WeBoc	Origin	Customs Value (C&F)
(1)	(2)	(3)	(4)	(5)	(6)
01	Ladies Hand Bags/ Shoulder Bags/Purses made of Artificial Leather (Low-end brands and not genuine or composition leather)	4202.2200 4202.2900	4202.2200.1000 4202.2900.1000	China	US\$14.00/doz or US\$1.166/pc
02	Ladies Clutches and Wallets made of Artificial Leather (Low-end brands and not genuine or composition leather)	4202.2200 4202.2900 4202.3200 4202.3900	4202.2200.1100 4202.2900.1100 4202.3200.1000 4202.3900.1000		US\$10.00/doz or US\$0.833/pc
03	Ladies Hand Bags/ Shoulder Bags/Purses made of Genuine and Composition Leather	4202.2100	4202.2100.1000	All Origins	Note: This Valuation Ruling No. 1196 dated 01.08.2017 does not cover items of PCT 4202.2100 which is specific for subject articles of 'genuine and composition leather'
04	Ladies Clutches and Wallets made of Genuine or Composition Leather	4202.2100 4202.3100	4202.2100.1100 4202.3100.1000	All Origins	Note: Valuation ruling No. 1196 dated 01.08.2017 does not cover items of PCTs 4202.2100 and 4202.3100 which are specific for



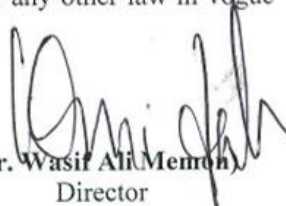
					subject articles of 'genuine and composition leather'
05	Note 1: This Valuation Ruling is only for hand bags / shoulder bags / purses / clutches and wallets, made of artificial leather only (i.e. not genuine or composition leather)				
06	Note 2: This Valuation Ruling is only for low end brands and not applicable for branded goods like Kate Spade, Celine, Stella McCartney, Valentino, Long Champ, Mango, Next, Nine West, Chanel, Christian Dior, Bottega Venetta, Jimmy Choo, Michael Kors, Ralph Lauren, Salvatore Ferragamo, Louis Vuitton, Furla, Gucci, Manolo Blahnik, Burberry, Miu Miu, Coach, Anne Klien, Cartier, Marc Jacobs, DKNY, Hermes, Lacoste, Versace, YSL, Dolce & Gabbana, Alexander Mc Queen, Bally, Loewe, Mulberry, Givenchy, Liz Clariborne, Fendi, Prada, Van Cleef & Arpels, Charles and Keith, Faith, Zara, Guess and other high-end brands. The clearance Collectorate shall assess the same under Section 25 of the Customs Act, 1969.				

7. In cases where invoice transactional values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account air 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 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, 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 the ruling are for the description and specification as mentioned in the table above 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.


 (Dr. Wasif Ali Memon)
 Director