



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.

**DETERMINATION OF CUSTOMS VALUES OF HAND TOOLS (LOW END BRANDS)  
MADE OF IRON & STEEL UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. <sup>1200</sup> / 2017)

No.Reg. Misc/31/2007-VIII

11654

Dated 09-08-2017

In exercise of powers conferred under Section 25-A of Customs Act, 1969, Customs values of hand tools (low end brands) made of iron & steel, are determined as follows : -

2. **Background of the valuation issue:** Customs values of Hand Tools (low end brands) made of iron & steel were earlier determined vide Valuation Ruling No.367/2011, dated 12-08-2011. It was brought to the notice of this Directorate General that selling prices of Hand Tools have escalated internationally and since existing Valuation Ruling was more than five years old, therefore this Directorate General initiated an exercise for redetermination of custom values of subject goods to reflect the current international prices in international markets.

3. **Stakeholders' participation in determination of Customs values:** Meetings were fixed in Karachi, however on the request of importers meetings were held with stakeholders at Lahore on 31-10-2016 and 03.08.2017. All the participants were requested to submit the following documents so that customs values could be determined: -

- 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 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 meetings, importers argued that raw material i.e. steel prices of hand tools have decreased internationally therefore the prices of hand tools may be reduced. However, they were confronted with the counter argument that imported hand tools are made of different raw material-ratios and their prices vary depending upon their type and ratio of raw materials and usage / purpose. It was informed that the last ruling was issued in year 2011,

since that time considerable increase, in values and precision occurred in hand tools which is preclude to same price increase and the department is cognizance that it is a utility item of household and the concerns of trade will be accounted for while finalizing values . During the meetings, participants were requested to submit import documents, record and other evidence in support of their contentions. Despite a lapse of considerable time, the importers have not submitted the requisite documents. However, the proposal submitted by Lahore Chamber of Commerce and Industry and related stakeholders was duly considered during determination of custom values of hand tools.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. Transaction Value Method under Sub-Section (1) of Section 25 of the Act *ibid* was found inapplicable because required information under the law was not available. Identical and Similar Goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of Customs Act, 1969 provided some reference values but due to wide variations in the declarations the same could not be relied upon exclusively. In the sequential order this office also conducted market inquiries in terms of Sub-Section (7) of Section 25 of the Customs Act, 1969. Input and feed back by the participants during Stakeholders' meetings were also considered. Online values of subject goods were also obtained. . 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. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Iron & Steel made Hand Tools have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Hand Tools (low end brands) made of iron & steel :** Hand Tools (low end brands) made of iron & steel *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values :-

S. No.	Description of Goods	PCT	Proposed PCT for WeBOC	Customs value US\$ / KG	
				China	Other Origins (excluding Europe & USA)
(1)	(2)	(3)	(4)	(5)	(6)
01.	Spades and Shovels, Forks, Axes, Bill Hooks and similar hewing tools. Other Hand Tools of a Kind used in Agriculture, horticulture or Forestry	8201.1000 8201.4000 8201.9000	8201.1000.1000 8201.4000.1000 8201.9000.1000	1.70	2.13



02.	Pliers	8203.2000	8203.2000.1000	1.85	2.31
03.	Hand Operated Spanners & Wrenches	8204.1100 8204.1200 8204.2000	8204.1100.1000 8204.1200.1000 8204.2000.1000	1.75	2.19
04.	Hammer & Sledge Hammer	8205.2000	8205.2000.1000	1.80	2.25
05.	Planes, Chisels, Gauges & Similar Tools for working wood	8205.3000	8205.3000.1000	2.05	2.56
06.	Screwdrivers	8205.4000	8205.4000.1000	1.90	2.38
07.	Household tools excluding Glaziers' Diamond	8205.5100	8205.5100.1000	1.90	2.38

**Note:** These values shall not be applicable on high end brands like Apex Fastening Tools, Belzer, Campbell, Cleco, Crescent, Delta, Dotco, Erem, Gearwrench, HKP, Jacobs, Jobox, Lufkin, Nicholson, Recoules Quakenbush, SATA, Weller, Wiss, Xcelite, Chicago Pneumatic, Edwards, Bad Dog Tools, BN Products, Core Bore, Core Cut, Tyrolit, Ridgid brand, Fein, FLEX, Gray Tools, Dynamic, Central Machinery, Chicago Tools, Pittsburgh Tools, US General, Cen Tech, Hilti, Lurem, Elektra Beckum, Husqvarna, Weed Eater, Poulan, McCulloch, Great Neck, OEM, Sheffield, Mayes, Goldblatt, Western Forge, Pratt-Read, SK Hand Tools, Knipex, Veritas, Lie-Nielsen, Mafell, Makita, Maktec, OLFA, WORX, Rockwell Tools Bosch, Skil, Dremel, Rotozip, Black & Decker, DeWalt, Porter-Cable, Bostitch, Mac Tools, Proto, Blackhawk, Sidchrome, Stanley Hand Tools, Husky, Craftsman, Irwin, Lennox / American Saw and Manufacturing Company, Festool, Spear & Jackson and the like brands.

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 and promptly report the same (higher declaration) to this Directorate General of Customs Valuation. In case of consignments imported by air, the assessing officer shall take into account the air freight while applying the Customs values determined in this Ruling.

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 the 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 in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. 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.367/2011, dated 12-08-2011.*

  
(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), 1<sup>st</sup> Floor, PT&T Audit Building, Maj-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 One Customs & WeBOC database system and deleting Valuation Ruling No.367/2011, dated 12-08-2011 from the system on the date of issue of this ruling.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & 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, 1<sup>st</sup> Floor, Custom House, Karachi.
21. Guard File.