

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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 ALUMINIUM UTENSILS UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. ¹²⁰⁴/2017)

No. Misc/ 03 /2017-VI

Dated 11-08-2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, customs values of and Aluminum Utensils are determined as follows:-

2. **Background of the valuation issue:** Earlier this Directorate General issued a Valuation Ruling No. 1060/2017 dated 01-03-2017 of Aluminum Utensils under Section 25-A of the Customs Act 1969. Being aggrieved with the values determined vide above valuation ruling, some importers filed revision petition before the Director General under Section 25D of the Customs Act, 1969. After hearing the petitioners an Order in Revision No 341/2017 dated: 18.05.2017 was issued by the Director General of Customs Valuation Karachi under section 25-D of the Customs act. The case was remanded back to the Director of Customs valuation Karachi to conduct afresh investigations and issue a fresh Valuation Ruling for Chinese origin Aluminum Non- Stick kitchen ware with or without Lid so that the value reflects properly the weight of the glass Lid. Accordingly, the Directorate General investigated & issued for glass lid separately vide valuation ruling No. 1198/2017 dated: 08.08.2017. Therefore this Directorate General initiated an exercise afresh for determination of custom values of Chinese origin Aluminum non-stick kitchen ware with or without lids under section 25- A of the customs act 1969.

3. **Stakeholders' participation in determination of customs values:** A meeting was scheduled on 01-06-2017 importers attended the said meeting. All the stakeholders were requested to submit the following documents so that correct 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 the meeting , the importers were of the view that aluminum utensils with or without glass lid cannot be equated as the individual utensil without glass lid is more expensive as



compared to those of utensils with glass lid however no any corroborative documents have been submitted by the importers . All Pakistan Aluminum Utensils Manufacturing Association submitted that Chinese Aluminum utensils are of high value and value may be determined as per international market trends

5. **Method adopted to determine customs values:** Valuation methods provided under 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. 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. Deductive Value Method as envisaged under Section 25(7) of the Customs Act, 1969, was examined and local market enquiry was conducted. Online values were also obtained. A letter was issued to Customs Valuation Lahore dated 02-06-2017 to conduct a market inquiry and propose values of the subject goods. Consequently Directorate of Customs Valuation Lahore purposed values of the subject goods vide letter no. V-Cus/Val/Misc/144/2015/ part-I/ 279 dated 20-07-2017. Moreover the Directorate of Customs Valuation Karachi also conducted a local market survey of the above mentioned goods. 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 collected in above methods was evaluated and analyzed for the purpose of determination of customs values. Keeping in view all the above, customs values of Shaving Razors, Blades and Parts made of iron and steel are determined under sub-section (9) of Section 25 of the Customs Act, 1969.

6. **Customs values for:** Aluminum component of Non stick kitchenware (with /without lid) *hereinafter specified* shall be assessed to duty/taxes at the following customs values:- *hereinafter specified* shall be assessed to duty/taxes at the following customs values:-

S.No.	Description	HS Code	Proposed PCT for WEBOC	Origin	Customs Value
(1)	(2)	(3)	(4)	(5)	(6)
01.	Aluminium component of Non stick kitchen Ware (with/without lid)	7615.1000	7615.1000.1000	China	US\$ 5.00/kg
02.	Aluminium Cooking Ware (Simple/Plane and Anodized)	7615.1000	7615.1000.1200	China	US\$ 3.50/kg

Note: If subject goods are imported with glass lids , glass lids may be assessed separately under valuation ruling No. 1198/2017 dated: 08.08.2017

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 differential between air freight and sea 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, 7th 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 Valuation Ruling supersedes Valuation Ruling No. 1060/2017 dated 01-03-2017.


(Dr. Wasif Ali Memon)
Director

Copy for information to:-

1. Member (Customs), FBR, 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), Lahore.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Regional 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.1060/2017 dated 01-03-2017.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.