



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.

DETERMINATION OF CUSTOMS VALUES OF KNOB & HANDLE DOOR LOCK, DOOR HANDLE THUMB ACTION LOCK (ENTRANCE LOCK), NIGHT LATCH /RIM LOCK & ELECTRIC RIM LOCK OF LOW END AND UNPOPULAR BRANDS UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1206 / 2017)

No. Misc/01/2012-VI /1748

Dated -08-2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, customs values of Knob & Handle Door Lock, Door Handle Thumbs Action Lock (Entrance Lock), Night Latch/Rim Lock and Electric Rim Lock are determined as follows:-

2. **Background of the valuation issue:** The customs values of Knob & Handle Door Lock, Door Handle Thumbs Action Lock (Entrance Lock) and Night Latch/Rim Lock and Electric Rim Lock of low end and unpopular brands were determined under section 25A of the Customs Act, 1969; vide Valuation Ruling No.1075/2017 dated 09-03-2017. The said valuation ruling was set aside by Appellate Tribunal and the department has filed reference before the Honorable Court of Sindh against the decision of Appellate Tribunal. However, some importers requested for issuance of fresh valuation ruling as become expired after 90 days as per earlier orders of Honorable High Court. With a view to reflect the current prices prevailing in the international market of these items , an exercise was initiated to determine the customs values of the subject goods afresh under Section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of customs values:** A meeting was held on 27-07-2017. During the meeting, the stakeholders were of the opinion that values as determined in the earlier valuation ruling are very high and donot commensurate with trading prices. They further contended that prices of locks have reduced due to advancement in technology and cost cutting done by Chinese manufacturers in raw material etc. 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. However, despite lapse of considerable time, importers/ stakeholders failed to submit the aforementioned documents in support of their contention therefore the matter could not be pended for unlimited period.



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 the 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 Stakeholder during meetings was also considered. All the available information was analyzed and evaluated. Keeping all the above in view, customs values of Knob & Handle Door Lock, Door Handle Thumbs Action Lock (Entrance Lock) and Night Latch/Rim Lock of low end and unpopular brands are determined under sub-section (9) of Section 25 of the Customs Act, 1969.

6. **Customs values for Knob & Handle Door Lock, Door Handle Thumbs Action Lock (Entrance Lock), Night Latch/Rim Lock, Electric Rim Lock (Low end and unpopular brands)** Knob & Handle Door Lock, Door Handle Thumbs Action Lock (Entrance Lock) and Night Latch/Rim Lock *hereinafter specified* shall be assessed to duty/taxes at the following customs values :-

S.No.	Description	HS Code	Proposed PCT for WEBOC	Customs Values (C&F) US\$/kg	
				(5)	(6)
(1)	(2)	(3)	(4)	China Origin	Others Origin
01.	Knob & Handle Door Lock (Non Electric) (Made of Base Metal)	8301.3000	8301.3000.1000	US\$ 2.60/Kg	US\$ 3.00/Kg
		8301.4000	8301.4000.1000		
02.	Main Entrance Door Handle with Thumb Action Lock (Entrance Lock) (Non Electric)	8301.4000	8301.4000.1100	US\$ 6.50/Kg	US\$ 7.47/Kg
03.	Night Latch/Rim Lock (Non Electric)	8301.4000	8301.4000.1200	US\$ 2.00/Kg	US\$ 2.30/Kg
04.	Electric Rim lock	8301.4000	8301.4000.1300	US\$ 4.50/Kg	US\$ 5.17/Kg

Note: These values donot cover subject goods of European origin nor they cover popular 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. 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. 1075/2017 dated: 09.03.2017**


(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 (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.1075/2017 dated:09.03.2017
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, 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, 1st Floor, Custom House, Karachi.
21. Guard File.