



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 VALUE OF BRANDED LED TELEVISION SETS
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 675/2014)

No. Misc/07/2009-VIII A

Dated: May 02, 2014

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969 the Customs values of branded LED Television Sets are determined as follows:-

1. **Background of the valuation issue:** Customs values of branded LED Televisions were determined under Section 25-A of the Customs Act, 1969, vide Valuation Ruling No.670/2014 dated 31-03-2014 on a reference from MCC Appraisement-West, Karachi vide letter C. No. SI/Misc/192/2014-VI dated 19-03-2014, in consideration of decline in import of LED Televisions due to its higher valuation. This Valuation Ruling was, however, disputed and a revision petition was filed under Section 25D of the Customs Act, 1969, before the Director General of Customs Valuation, Karachi. Director General of Customs Valuation vide Revision Order No 35/2014 dated 15.04.2014, remanded the case back to Director Customs Valuation for issuance of fresh Valuation Ruling and determination of Customs values of LED TV under Section 25-A of the Customs Act, 1969, after affording due opportunity of hearing to the petitioner and other stakeholders including the concerned Customs Collectorates of Clearance, within a period of two weeks, in accordance with law.



In compliance of the directions contained in Order in Revision No 35/2014 dated 15.4.2014, within specified time limitation, notice dated 16.04.2014 was issued to call all the stakeholders for a meeting on 24.04.2014. The representatives of MCC Appraisement-East, MCC Appraisement-West, Valuation Directorate, FPCC&I, KCC&I, local manufacturers/assemblers, Petitioner's representative and distributors/importers of subject goods, participated in the proceedings and gave their view points on the issue. The views of the importers of LED TVs were divergent from the views of local assemblers. After protracted discussions, allegations and counter allegations from importers and local assemblers, no headway could be made. Briefly local assemblers and petitioner urged to make the import values of SKD kits as the basis for determination of customs values of similar items. Moreover, they agitated that market is replete with smuggled LED TVs, therefore, no calculations can be made on the basis of smuggled TVs available in the market.


Importers on the other hand strongly agitated on making these irrelevant and manipulated values as basis for any decision. Importers contended that tariff rates on SKD and CBU TVs are very different, and that local assemblers are enjoying very high

tariff protection rates of 30% on imports against 5 % being paid by assemblers under EEPAS. They further contended that taking hostage of the whole market through valuation gives undue advantage to so called assemblers and smugglers. Importers also agitated as to why local assemblers are very comfortable with smuggled items as against legally imported ones. After threadbare discussions, and listening to all the participants it was considered that market survey is the most suitable option to work out the assessable values of LED TVs. A Committee, consisting of representatives of Clearance Collectrates, Directorate of Valuation, local assemblers, importers, FPCC&I, KCC&I was constituted to further deliberate on determination of Customs values on 25.04.2014 in a transparent manner. The constituted Committee again held detailed meeting on 25.04.2014 and finalized the parameters to determine the customs values. The committee decided that two independent market surveys would be conducted; one by the officers of Valuation department and the other by the officers of clearance Collectrates; these two surveys would be sent to an independent three member committee; one member from FPCC&I and two from KCC&I for verification and input. To this all the participants including importers, chambers and local assemblers agreed except M/s Orient. Accordingly the two formations conducted fresh market surveys and shared their findings with the independent committee comprising members of the FPCC&I and KCC&I. This committee forwarded their point of view and verifications vide letter no. VP/KCCI/MRKRATES /DG/ CUST/ 2014/-14661 dated April 29, 2014. All the three reports were minutely examined again. The present ruling is based on these surveys and verification report after giving due deductions as agreed in the meeting on 25.04.2014.



2. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed. Transaction value method provided in Sub-Section (1) of Section 25 was found inapplicable because of in-sufficient quantum of import data besides the requisite information to determine the value as per law was not available. Identical / similar goods value methods provided in Sub-Sections (5) & (6) of Section 25 could also not be applied due to same reason and due to unreliable and inadequate values. Market enquiries as provided under Sub-Section (7) of Section 25 of the Customs Act, 1969, were conducted and values were determined by Deductive Value method. After carefully considering all the information available customs values of branded LED Television Sets were determined under Section 25 (9) of the Customs Act 1969.
3. **Stakeholders' Participation in determination of Customs values:** Meetings were held with all the stakeholders on 24.04.2014 and 25.04.2014 as mentioned above. Due consideration was given to views/inputs of local assemblers, importers, representatives of Chambers of Commerce and Industry and officers from clearance Collectrates.
4. **Customs values for branded LED Television Sets:** Branded LED Television Sets *hereinafter specified* shall be assessed to duty / taxes at the following Customs values as per Annex-A :-
5. In cases where declared/ transaction values are higher than the Customs value determined in this Ruling, the assessment shall be made on such higher values in terms of Sub-Section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessment shall be made after taking into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling.

6. **Validity of this Valuation Ruling:** The value 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.
7. **Revision of the values 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 issuance of this Ruling, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.
8. The Collectors of Customs may kindly ensure that the values given in the Ruling for the given description of goods is applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of this Directorate General immediately.
9. **This Valuation Ruling supersedes Valuation Ruling No. 670/2014 dated 31-03-2014 for LED Television Sets.**


(Suraiya Ahmed Butt)
Director

Copy for information to :-

1. S.A. to Chairman, F.B.R., Islamabad.
2. Member (Customs), F.B.R., Islamabad.
3. Director General, Customs Valuation, Custom House, Karachi.
4. Chief Collector of Customs, South (Appraisement), Custom House, Karachi.
5. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
6. Chief Collector of Customs (Central), Lahore.
7. Chief Collector of Customs (North), Islamabad.
8. Director General, Intelligence and Investigation, Islamabad.
9. Director General, Post Clearance Audit, Islamabad.
10. Director General Internal Audit, (Customs), Islamabad.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
12. The Project Director, WeBOC, 11th Floor, Custom House, Karachi.
13. Director, Directorate of Customs Valuation (Camp Office), Lahore.
14. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database and deleting the Valuation Ruling No.670 / 2014, dated 31-03-2014 on the date of issue of this Ruling.
15. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
16. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
17. Customs Revenue Audit, 8th Floor, Custom House, Karachi.
18. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
19. Review Section, Customs Valuation, 7th floor, Custom House, Karachi.
20. Karachi Customs Agents Group, Bohri Road, Karachi.
21. CHO, Customs Valuation, Custom House, Karachi.
22. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisement, 1st floor, Custom House, Karachi.
23. Guard File.

Annex-A to Valuation Ruling No 675/2014 dated May 02, 2014

Directorate General of Customs Valuation, Karachi

CUSTOMS VALUE OF BRANDED LED TELEVISION SETS UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

S.NO	SPECIFICATION	BRAND	MODEL NO	PCT Heading	Proposed PCT for WeBOC	Origin	Customs Values (C&F) per unit
1	32 INCHES	SONY BRAVIA	KDL-32R420	8528.7212	8528.7212.1000	Far East / Middle East / China	150
2	32 INCHES	SONY BRAVIA	KDL-32R402	8528.7212	8528.7212.1100	Far East / Middle East / China	135
3	32 INCHES	SONY BRAVIA	KLV-32EX330	8528.7212	8528.7212.1200	Far East / Middle East / China	140
4	32 INCHES	SAMSUNG	32F4800	8528.7212	8528.7212.1300	Far East / Middle East / China	126
5	32 INCHES	SAMSUNG	32F4500	8528.7212	8528.7212.1400	Far East / Middle East / China	124
6	32 INCHES	SAMSUNG	32F4100	8528.7212	8528.7212.1500	Far East / Middle East / China	120
7	32 INCHES	SAMSUNG	32EH4500	8528.7212	8528.7212.1600	Far East / Middle East / China	124
8	32 INCHES	SAMSUNG	32 EH 4000	8528.7212	8528.7212.1700	Far East / Middle East / China	122
9	32 INCHES	SAMSUNG	32 EH 5300	8528.7212	8528.7212.1800	Far East / Middle East / China	126
10	32 INCHES	SAMSUNG	32 F 6100	8528.7212	8528.7212.1900	Far East / Middle East / China	128
11	32 INCHES	SAMSUNG	32F 4003	8528.7212	8528.7212.2000	Far East / Middle East / China	118
12	32 INCHES	LG	32LS3500	8528.7212	8528.7212.2100	Far East / Middle East / China	128
13	32 INCHES	LG	32LM3400	8528.7212	8528.7212.2200	Far East / Middle East / China	132
14	32 INCHES	PANASONIC	32 D 25R	8528.7212	8528.7212.2300	Far East / Middle East / China	132

S.NO	SPECIFICATION	BRAND	MODEL NO	PCT Heading	Proposed PCT for WeBOC	Origin	Customs Values (C&F) per unit
15	32 INCHES	PANASONIC	THL 32	8528.7212	8528.7212.2400	Far East / Middle East / China	122
16	40/42 INCHES	SONY BRAVIA	KLV-40R452	8528.7212	8528.7212.2500	Far East / Middle East / China	195
17	40/42 INCHES	SONY BRAVIA	KDL-42W800	8528.7212	8528.7212.2600	Far East / Middle East / China	430
18	40/42 INCHES	SONY BRAVIA	KDL-42W670	8528.7212	8528.7212.2700	Far East / Middle East / China	280
19	40/42 INCHES	SONY BRAVIA	40 EX-520	8528.7212	8528.7212.2800	Far East / Middle East / China	335
20	40/42 INCHES	SONY BRAVIA	40 EX-430	8528.7212	8528.7212.2900	Far East / Middle East / China	255
21	40/42 INCHES	SONY BRAVIA	40 EX-650	8528.7212	8528.7212.3000	Far East / Middle East / China	210
22	40/42 INCHES	SAMSUNG	40F7500	8528.7212	8528.7212.3100	Far East / Middle East / China	370
23	40/42 INCHES	SAMSUNG	40F6100	8528.7212	8528.7212.3200	Far East / Middle East / China	225
24	40/42 INCHES	SAMSUNG	40F5100	8528.7212	8528.7212.3300	Far East / Middle East / China	195
25	40/42 INCHES	SAMSUNG	40F5300	8528.7212	8528.7212.3400	Far East / Middle East / China	210
26	40/42 INCHES	SAMSUNG	40F6400	8528.7212	8528.7212.3500	Far East / Middle East / China	230
27	40/42 INCHES	SAMSUNG	40F5500	8528.7212	8528.7212.3600	Far East / Middle East / China	220
28	40/42 INCHES	SAMSUNG	40F5000	8528.7212	8528.7212.3700	Far East / Middle East / China	175
29	40/42 INCHES	SAMSUNG	40ES7500	8528.7212	8528.7212.3800	Far East / Middle East / China	410
30	40/42 INCHES	SAMSUNG	40ES6800	8528.7212	8528.7212.3900	Far East / Middle East / China	380
31	40/42 INCHES	SAMSUNG	40ES6600	8528.7212	8528.7212.4000	Far East / Middle East / China	370

S.NO	SPECIFICATION	BRAND	MODEL NO	PCT Heading	Proposed PCT for WeBOC	Origin	Customs Values (C&F) per unit
32	40/42 INCHES	SAMSUNG	40ES5500	8528.7212	8528.7212.4100	Far East / Middle East / China	320
33	40/42 INCHES	SAMSUNG	40EH5300	8528.7212	8528.7212.4200	Far East / Middle East / China	220
34	40/42 INCHES	LG	42LN5720	8528.7212	8528.7212.4300	Far East / Middle East / China	240
35	40/42 INCHES	LG	42LA6210	8528.7212	8528.7212.4400	Far East / Middle East / China	245
36	40/42 INCHES	LG	42LM5800	8528.7212	8528.7212.4500	Far East / Middle East / China	380
37	40/42 INCHES	LG	42LS3100	8528.7212	8528.7212.4600	Far East / Middle East / China	210
38	40/42 INCHES	LG	42LS4600	8528.7212	8528.7212.4700	Far East / Middle East / China	220
39	40/42 INCHES	LG	42LV3400	8528.7212	8528.7212.4800	Far East / Middle East / China	240
40	46/47 INCHES	SONY BRAVIA	KDL-46W700	8528.7212	8528.7212.4900	Far East / Middle East / China	405
41	46/47 INCHES	SONY BRAVIA	KLV-46R452	8528.7212	8528.7212.5000	Far East / Middle East / China	320
42	46/47 INCHES	SONY BRAVIA	KDL-47W804	8528.7212	8528.7212.5100	Far East / Middle East / China	560
43	46/47 INCHES	SONY BRAVIA	KDL-47W800	8528.7212	8528.7212.5200	Far East / Middle East / China	565
44	46/47 INCHES	SONY BRAVIA	KDL-47R500	8528.7212	8528.7212.5300	Far East / Middle East / China	390
45	46/47 INCHES	SAMSUNG	46F5500	8528.7212	8528.7212.5400	Far East / Middle East / China	255
46	46/47 INCHES	SAMSUNG	46F6100	8528.7212	8528.7212.5500	Far East / Middle East / China	265
47	46/47 INCHES	SAMSUNG	46F5100	8528.7212	8528.7212.5600	Far East / Middle East / China	235
48	46/47 INCHES	SAMSUNG	46F6400	8528.7212	8528.7212.5700	Far East / Middle East / China	225

The views of the importers of LED TVs were as follows:

S.NO	SPECIFICATION	BRAND	MODEL NO	PCT Heading	Proposed PCT for WeBOC	Origin	Customs Values (C&F) per unit
49	46/47 INCHES	SAMSUNG	46F5300	8528.7212	8528.7212.5800	Far East / Middle East / China	245
50	46/47 INCHES	SAMSUNG	46F5000	8528.7212	8528.7212.5900	Far East / Middle East / China	230
51	46/47 INCHES	SAMSUNG	46F7500	8528.7212	8528.7212.6000	Far East / Middle East / China	425
52	46/47 INCHES	SAMSUNG	46F6200	8528.7212	8528.7212.6100	Far East / Middle East / China	270
53	46/47 INCHES	SAMSUNG	46F8000	8528.7212	8528.7212.6200	Far East / Middle East / China	470
54	46/47 INCHES	SAMSUNG	46ES6900	8528.7212	8528.7212.6300	Far East / Middle East / China	440
55	46/47 INCHES	SAMSUNG	46ES6600	8528.7212	8528.7212.6400	Far East / Middle East / China	410
56	46/47 INCHES	SAMSUNG	46ES7500	8528.7212	8528.7212.6500	Far East / Middle East / China	540
57	46/47 INCHES	SAMSUNG	46ES5600	8528.7212	8528.7212.6600	Far East / Middle East / China	345
58	46/47 INCHES	SAMSUNG	46EH5300	8528.7212	8528.7212.6700	Far East / Middle East / China	255
59	46/47 INCHES	SAMSUNG	46ES6200	8528.7212	8528.7212.6800	Far East / Middle East / China	355
60	55 INCHES	SONY BRAVIA	55 HX950	8528.7212	8528.7212.6900	Far East / Middle East / China	690
61	55 INCHES	SONY BRAVIA	55 HX750	8528.7212	8528.7212.7000	Far East / Middle East / China	620
62	55 INCHES	SONY BRAVIA	55 W804	8528.7212	8528.7212.7100	Far East / Middle East / China	1100
63	55 INCHES	SAMSUNG	55 F8000	8528.7212	8528.7212.7200	Far East / Middle East / China	525
64	55 INCHES	SAMSUNG	55 ES6800	8528.7212	8528.7212.7300	Far East / Middle East / China	640
65	55 INCHES	SAMSUNG	55 ES6200	8528.7212	8528.7212.7400	Far East / Middle East / China	630

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S.NO	SPECIFICATION	BRAND	MODEL NO	PCT Heading	Proposed PCT for WeBOC	Origin	Customs Values (C&F) per unit
66	55 INCHES	SAMSUNG	55 EH6030	8528.7212	8528.7212.7500	Far East / Middle East / China	550
67	55 INCHES	SAMSUNG	55 E8000	8528.7212	8528.7212.7600	Far East / Middle East / China	345
68	55 INCHES	LG	55 LM8600	8528.7212	8528.7212.7700	Far East / Middle East / China	650
69	55 INCHES	LG	55 LM5800	8528.7212	8528.7212.7800	Far East / Middle East / China	590
70	55 INCHES	LG	55 LA8600	8528.7212	8528.7212.7900	Far East / Middle East / China	620
71	55 INCHES	LG	55 LA7400	8528.7212	8528.7212.8000	Far East / Middle East / China	570

Customs