



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorates, Appraisement (East / West) / Port Muhammad Bin Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Peshawar / Gawadar / Gilgit-Baltistan.

Determination of Customs Values of Telephone Cables
(H.S. Code no. 8544.4990) Under Section 25-A of the Customs Act, 1969.

(VALUATION RULING NO. 732/2015)

No. Misc/08/2015-VII 8870

Dated: May 20, 2015

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Telephone Cables are determined as follows:

2. **Background of the valuation issue:** It was brought to the notice of this Directorate General that Telephone Cables are being imported at under invoiced values. Therefore, an exercise to determine the customs values of the subject goods under section 25A was initiated. A market inquiry was conducted to verify the veracity of this claim. During the stakeholders' meetings the findings of the survey report were placed before the participants. Importers of telephone networking cable strongly agitated against the working based on market survey on the ground that telephone networking cable is currently a receding market and cables over 2 pairs move very slowly, resultantly retailers charge heavy margin on these types of cables. Another market survey was conducted but results were similar to the previous survey. On line prices were also checked which indicated that prices increase, as pairs increase. The importers asserted that weight of cable increase as pairs increase. They requested to determine values of the basis of weight only as determining value pair-wise would create more problems than resolve it. They vehemently requested to determine Customs values for all types of telephone net working cables.

3. **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 then conducted market inquiry in terms of Sub-Section (7) of Section 25 of the Customs Act, 1969, during the market survey; it has been observed that there are wide variations in the selling price on account of brand names of different telephone networking cables. Moreover, more than 2 pairs telephone cables are being sold at higher prices. It has been observed that telephone cables are being imported from 2 pairs to 20 pairs. Input and feed back by the participants during the Stakeholders' meetings were also considered. All the available information was analyzed and evaluated. Keeping all the



above in view. Customs values of telephone cables brand-wise are, determined under Sub section (9) of Section 25 of the Customs Act, 1969.

4. **Stakeholders' participation in determination of Customs values:** Meetings were held with stakeholders 21-04-2015 and 29-04-2015. During the meeting, importers contended that the prices of telephone cable of 2 pairs may be considered for determination of customs value, because prices of more than 2 pairs telephone cables in the local market could not be compared to the rest of the telephone cables pairs as the same are very high being a very slow moving item and margin of retailers are very high. The importer participating in the proceedings were requested to submit their sales tax paid invoices for the confirmation and justification of their contentions but none submitted the sales tax paid invoices of the imported telephone cables.

5. **Customs values for telephone cables:** Telephone Cables *hereinafter specified* shall be assessed to duty/ taxes at the following Customs value:-

Description of goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) Category A	Customs Values (C&F) Category B	Customs Values (C&F) Other Brands
1	2	3	4	5	6	7
Telephone Cable	8544.4910 8544.4990	8544.4910.1000 8544.4990.1000	China	US\$ 2.10/kg	US\$ 1.4/kg	US\$ 1.6/kg

Brands: Category-A: Pony / Crescent/ Pak / Teletec / Zakcom/ Telecom
Brands: Category-B: Million / China

6. 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.

7. **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 or section 25-D of the Customs Act, 1969.

8. **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 issuance of this Ruling, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

9. 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 this Directorate General immediately for redressal.


(Abdul Rashid Sheikh)
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.
9. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General Internal Audit. (Customs), Islamabad.
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 this Ruling in the system.
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.