



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 School Bag, Briefcase and Laptop Bag,  
under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. 867/2016)

No.Misc/14/2016-III

1943

Dated 08.06.2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of School Bag, Briefcase and Laptop Bags are determined as follows :-

- Background of the valuation issue:** It was brought to the notice of the Directorate General (Valuation) that the School bags, briefcase and laptop bags are being imported at gross under invoiced values causing huge loss to national exchequer. Therefore, an exercise was initiated to determine the customs value of the subject goods under section 25-A of Customs Act, 1963.
- Stakeholders' participation in determination of Customs values:** A meeting was scheduled to be held on 24.05.2016 and 26.05.2016 with stakeholders including the representatives of importers and manufacturers but none of the stakeholder appeared to attend the subject meeting.
- Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly followed and applied sequentially to address the valuation issue at hand. Transaction value method provided in Sub-Section (1) of Section 25 was found inapplicable because it is generally known to all that majority of invoices produced at import stage are manipulated/fabricated and hence the requisite information required under the law was not available to arrive at the correct transaction value. Identical / similar goods value method provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to determine Customs value of subject goods, this data provided some references, however, it was found that the same cannot be solely relied upon due to the absence of absolute demonstrable evidence of qualities, and quantities of commercial level and it was also observed that importers usually provided misleading description while



declaring goods, as other types and varieties of similar goods to avoid the true application of valuation ruling. Required information was, therefore, found insufficient and inaccurate. In line with the statutory sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969, however, it was found that the determination of Customs value could also not be based solely upon this valuation method either. Therefore, valuation method provided vide Section 25 (8) of Customs Act 1969, could not be applied as the conversion cost from constituent materials and allied expenses, at country of export were are not available. Finally, Pral database, market information and international prices through Web were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject good. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive assessable customs values of the School bags, briefcase and laptop bags in this case

5. **Customs values for School Bags, Briefcase and Laptop Bags :** School Bags, Briefcase and Laptop Bags *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values :-

| S. No. | Description of Goods                | PCT       | Proposed PCT For WEOC     | Origin           | Customs Values (C&F) USS/PC |
|--------|-------------------------------------|-----------|---------------------------|------------------|-----------------------------|
| (1)    | (2)                                 | (3)       | (4)                       | (5)              | (6)                         |
| 01.    | School Bags (Fiber Body)            | 4202.1190 | 4202.1190.1000            | China            | 6.40                        |
| 02.    | School Bags (Plastic Body)          | 4202.1190 | 4202.1190.1100            | China            | 4.50                        |
| 03.    | School Bags (Soft original leather) | 4202.1190 | 4202.1190.1200            | China            | 16.90                       |
| 04.    | School Bags (Artificial Leather)    | 4202.1190 | <del>4202.1190.1300</del> | <del>China</del> | 7.40                        |
| 05.    | Briefcase (Fiber Body)              | 4202.1190 | 4202.1190.1400            | China            | 10.15                       |
| 06.    | Briefcase (Plastic Body)            | 4202.1190 | 4202.1190.1500            | China            | 9.40                        |



|     |                                     |           |                |       |       |
|-----|-------------------------------------|-----------|----------------|-------|-------|
| 07. | Briefcase (Hard original leather)   | 4202.1190 | 4202.1190.1600 | China | 32.00 |
| 08. | Briefcase (artificial Leather)      | 4202.1190 | 4202.1190.1700 | China | 10.90 |
| 09. | Laptop Bags (Fiber Body)            | 4202.1190 | 4202.1190.1800 | China | 6.20  |
| 10. | Laptop Bags (Plastic Body)          | 4202.1190 | 4202.1190.1900 | China | 5.80  |
| 11. | Laptop Bags (Soft original leather) | 4202.1190 | 4202.1190.2000 | China | 20.10 |
| 12. | Laptop Bags (Artificial Leather)    | 4202.1190 | 4202.1190.2100 | China | 5.10  |

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 of the Customs Act, 1969. The Customs Values determined in the ruling are for the descriptions and specifications as mentioned herein. HS codes are mentioned for illustrative purpose so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classification after fulfilling requisite formalities relating to importability or any other certifications required thereon. Moreover, it is worth mentioning that the above mentioned values are not determined for internationally acclaimed brands of school bags, brief cases and laptop bags. The Collectorate is advised to assess all the internationally acclaimed brands of school bags, brief cases and laptop bags as per the prevailing competitive market prices in accordance to brand category and its origin.

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 issue of this ruling, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> 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 Directorate General immediately.

(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, Mauj-e-Darya Road, Lahore.
9. 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.518/2015, dated 27-12-2015 from 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, 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.