GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorate, Appraiser (East/ West)/
Port Qasim/ Preventive, Karachi / Lahore (Appraiser/ Preventive)/ Sambrail (Sialkot)/
Faisalabad/ Multan/ Islamabad/ Hyderabad/ Quetta/ Peshawar/ Gawadar/ Gilgit-Baltistan.

Determination Of Customs Values of Disposable Gas/Cigarette Lighters Under Section 25-
A Of The Customs Act, 1969

(VALUATION RULING NO/1622/2017)


In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs
values of Disposable Gas/Cigarette Lighters are determined as follows:

2. **Background of the valuation issue:** This Directorate General has earlier circulated
reference customs values of Disposable Gas/Cigarette Lighters Vide Valuation Data Base Letter
No. 82/2016, dated 18-11-2016. However, some importers approached this Directorate General and
requested to issue valuation ruling for uniform applicability. Therefore, this Directorate General
initiated an exercise for determination of customs value for the subject goods.

3. **Stakeholders’ participation in determination of Customs values:** Meeting with
stakeholders was held on 10-01-2017. The stakeholders were requested to furnish the following
documents before or during the course of above said meeting:-

   A. Invoices of imports during last three months showing factual value.
   B. Websites, names and E-mail addresses of known foreign manufacturers of the item in
question through which the actual current value can be ascertained.
   C. Copies of Contracts made / LCs opened during the last three months showing the value of
item in question.
   D. 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 no stakeholder turned up for the meeting. Some applications were received for
downward revision of the reference values notified vide VDB letter No. 86/2016 dated 18.11.2016,
but without any corroborating evidence/documents. Hence this Directorate General proceeded
further for issuance of Valuation Ruling under the law.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25
of the Customs Act, 1969 were followed to arrive at customs value of Disposable Gas/Cigarette
Lighters. Transaction value method provided in Section 25 (1) was found inapplicable owing to
wide variation in the values being declared to the customs and incomplete descriptions. Identical/
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 on due to wide variation in declared values of subject goods. Thereafter, market enquiry as envisaged under Section 25 (7) of the Customs Act, 1969, was conducted. A number of items sold in the local market were obtained and customs values were worked back from the same. Online prices were also obtained to corroborate the findings of the market surveys. Computed Value Method as provided in Section 25 (8) could not be applied for valuation of the aforementioned goods as the cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25 (8) of the Act, in the country of export, could not be ascertained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values of Disposable Gas/Cigarette Lighters have been determined under Section 25 (9) of the Customs Act, 1969.

6. Customs values of Disposable Gas/Cigarette Lighters hereinafter specified, shall be assessed to duty/taxes at the following Customs Values:

<table>
<thead>
<tr>
<th>S. No</th>
<th>Description of goods</th>
<th>PCT</th>
<th>Proposed PCT for WeBOC</th>
<th>Origin</th>
<th>Customs Values (C&amp;F) in US$/Pc</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Disposable Gas/Cigarette Lighters</td>
<td>9613.1000</td>
<td>9613.1000.1000</td>
<td>China</td>
<td>0.11</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9613.9090.1100</td>
<td>9613.9090.1200</td>
<td>Europe/USA/Canada/Japan</td>
<td>0.16</td>
</tr>
</tbody>
</table>

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 element of air freight while assessing the goods.

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 this Valuation 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. Customs values determined in the ruling are for the description and specification as mentioned in
valuation ruling values are made accessible to the assessing officers. 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.

(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 (Appraisal), 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), 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 WeBOC database system and deleting VDB. No. 82/2016, dated 18-11-2016.
14. Chairman (Valuation Committee), FPCCI, Federation House, Clifton, Karachi.
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, Appraisal (East/West), Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading The Valuation Ruling on FBR website.
22. Guard File.