



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 / (Exports /port Qasim) / (Appraisement / Preventive) / Sambrial(Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan

DETERMINATION OF CUSTOMS VALUES OF (LOW-END BRANDS) LADIES UNDERGARMENTS (BRASSIER) OF POLY-COTTON BLEND UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1122 / 2017)

No. DG/VDB/REF/212/2017-IV

1982

Dated: 10-04-2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of lower end brands Ladies Undergarment Brassier of various kinds / categories are determined as follows:-

2. **Background of the valuation issue:** This Valuation Directorate had earlier conducted an audit of clearance values of subject goods and found the same to be on the lower side, in comparison with the international trading and national selling prices. In the previous 90 days data, majority of the under reference imported goods from China were being cleared at rates varying from US \$ 0.0173/Kg to around US \$ 4.00/Kg (but generally without declaring whether in bales or in individual retail packing mode). As an immediate remedial measure this Directorate General of Customs Valuation had issued a Valuation Database Value Vide VDB Letter No. 203 dated 28.02.2017, based on market surveys of retail packed subject goods as available in marketplace. Subsequently, numbers of importers filed representations for revisiting the VDB value as they claimed that the values are on higher side, compared to actual purchase prices. The importers insisted that the market survey conducted was from retail outlets and therefore must be done afresh from wholesale markets. An exercise was thus undertaken to determine the Customs Values of subject goods under section 25-A of the Customs Act, 1969 and therefore, converting the VDB value into a Valuation Ruling.

3. **Stakeholders' participation in determination of Customs values:** A meeting was held on 22-03-2017 with stakeholders including importers, who are importing Ladies undergarments (brassier), stated that they are importing these goods from different origins in different packings. Their main stress was that the value mentioned in the VDB No. 203 dated 28-02-2017 are much higher than their declared values as they import lower end brand goods, whereas, the values mentioned in VDB is for higher brand brassier, therefore, they are facing hardship at import clearance stage, moreover, the goods are imported in P.P Bags / Bales and in retail packing of per Pc. Box. VDB is silent regarding packing-modes of these goods. The points raised by stakeholders were tabled and deliberated upon in light of data /information available on record. It emerged that the subject goods need to be segregated in categories based on constituent materials, origin and packing-mode, for valuation. The importers provided suggestions regarding values of the various kinds / categories of undergarments brassier in relevance to the international trading



prices and local selling prices in the market, the same were considered at the time of final determination calculations under section 25-A of Customs Act, 1969.

4. **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular and sequential order to address the particular valuation issue at hand. The transaction value method as provided in Sub-Section (1) of Section 25, found in applicable in the light of the wide variety of manipulated invoices produced at import stage and as no invoices were reported to be found inside the containers (as per the international trading standards), thus, requisite information required under law was not available to arrive at the correct transaction value. Identical / similar goods value method provided vide 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 etc., and also it was observed that importers usually provided misleading description while declaring goods, as other types and varieties of similar goods to avoid the application of valuation ruling. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted market inquiries, 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 not be based solely upon this method either. 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 utilized and analyzed for determination of Customs Value of subject goods under the Fall Back Method as provided under section 25(9) of the Customs Act, 1969, applied to arrive assessable customs values of Ladies Undergarment Brassier.

5. **Customs Values for Lower end Brands Ladies Undergarment Brassier of different qualities and various origins, made of polyester-cotton blends:** Lower end Brands Ladies Undergarment Brassier of different qualities and various origins *hereinafter specified* shall be assessed to duty /taxes at following assessable customs values:-

S. No.	Description of Goods	PCT Code	Proposed PCT For WeBOC	Origin	Customs Value (C&F) US \$ /KG
(1)	(2)	(3)	(4)	(5)	(6)
1	Ladies Undergarment (Brassier) in P.P Bags / Bales	6212.1000	6212.1000.1000	China	4.00
			6212.1000.1100	Thailand / U.A.E / India / Sri Lanka / Turkey	6.00
2	Ladies Undergarment (brassier, individual)	6212.1000	6212.1000.1300	China	6.00



	packing box)	6212.1000.1400	Thailand / U.A.E / India / Sri Lanka / Turkey	8.00
		6212.1000.1500	U.K / Europe / USA	16.00

Note:

- Other high end brands of subject goods like Prima Donna, Lise Charmel, La Perla, Wonderbra, Wacol, La Senza, Affinitas Intimates, Chantelle, Victoria Secret, Triumph, Marks & Spencer, Next, Nuance etc. etc. are not covered in the instant Valuation Ruling as they are of very higher values than mentioned above and may be assessed Under Section 25 of the Customs Act, 1969 after considering all allied aspect. Any anomaly if observed may be reported to this Directorate General with purposed course of action at our end.

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. The Custom values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein, HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling request formalities relating to importability or other certifications required thereon.

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 Section 25-A of the Customs Act, 1969.

8. **Revision of the value determined vide this Valuation Ruling:** This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, 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.

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.

10. ***This Valuation Ruling Supersedes Valuation Database VDB No. 203 Dated 28.02.2017.***

(Dr. Wasif Ali Memon)
Director

Copy for information to: -

1. Member (Customs), F.B.R., Islamabad.