



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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

**Determination Of Customs Values of Glass-Lid for Cookware Under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. 1198 / 2017)

No. Misc./13/2017-V

11659

Dated: 08-Aug-2017

In exercise of powers conferred under Section 25-A of Customs Act, 1969, Customs values of Glass-Lid for Cookware are determined as follows: -

2. **Background of the valuation issue:** Currently no valuation instrument (u/s 25A of Customs Act, 1969) for the subject item was in field. M/s Gujranwala Chamber of Commerce and Industry vide their reference No. Rec/2017/11/926 dated 16-02-2017 and No. Rec/2017/11/1040 09-03-2017 reported consistent under valuation and requested to determine the actual Customs values for Glass-Lids (used for Non-Stick and Ceramic Coating products) under Section 25A of Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders (manufacturers and importers) were held on 10-05-2017 and 23-05-2017. Duly authorized representative of M/s Gujranwala Chamber of Commerce and Industry appeared and submitted that raw material of Glass Lid for Cookware is Float Glass and while the import value of Float Glass has been enhanced recently, but on the contrary, Glass Lid is being imported on quite a lower value as compared to values determined for raw materials (float glass sheets subjected to heat resistance procedures and finishing etc). Furthermore, M/s Gujranwala Chamber of Commerce and Industry also contended to issue customs valuation of subject item keeping in view the prevailing higher valuation trends in international markets. 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. No commercial importers or traders appeared on hearing dates, nor are any requisite documents received except from the representative of M/s. Gujranwala Chamber of Commerce and Industry.

5. **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 at assessable Customs values of Glass Lid for Cookware.

6. **Customs Values of Glass Lid:** Glass Lid for Cookware, hereinafter specified, shall be assessed to duty/taxes at the following Customs Values :-

S. No	Description of goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) in USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Glass-Lids for Cookware of all types (including pots, pans etc.)	7010.2000	7010.2000.1000	China	1.20

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 and promptly report the same (higher declaration) to this Directorate General of Customs Valuation. In case of consignments imported by air, the assessing officer shall take into account the air freight while applying 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 requisite formalities relating to importability or other certifications required thereon.

**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:** 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, 7<sup>th</sup> Floor, Custom House, Karachi.

**10.** 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 (Appraisement), 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, Maj-e-Darya Road, Lahore.
09. 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.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & 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, Appraisement (East/West), Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading at FBR website.
22. Guard File.