



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectories, 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 PORCELAIN WARE / GLASS WARE
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 788 / 2016)

No.Misc/07/2008-V 17603

Dated: January 05, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Porcelain ware / Glass ware are determined as follows: -

2. **Background of the valuation issue:** Customs value of Porcelain Ware / Glass Ware, were determined vide Valuation Ruling No.645 / 2014 dated 18-03-2014. The same was agitated by Ms Trend International on the price of crockery from UAE. According to them they had been determined on the higher side. The competent authority, vide Order in Revision No. 99/2015 dated 21-04-2015 remanded the same with the instructions that Customs Value of Porcelain ware from UAE origin may be revisited after giving fair consideration to the contentions of the importers. While the case was under scrutiny, the Honourable High Court of Sindh, Karachi, also vide orders in C.P.No.D-7178/2015 dated 13-11-2015 directed for early revision of Valuation Ruling.

3. **Stakeholders' participation in determination of Customs values:** In pursuance of the Court's orders, meetings with stakeholders were held on 10-12-2015 & 04-01-2016 and they were requested to bring the following documents:

- (i) Invoices of imports during last three months showing factual value
- (ii) Websites, names and email addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained
- (iii) Copies of contracts made/ LCs opened during the last three months showing the value of items in question.
- (iv) 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 the difference in price is passed on to the local buyers.

4. The petitioner repeated his contention as taken before the Revision Authority. The requisite documents about crockery imported from China and UAE were submitted by some of the participants but these were found incomplete as they were not accompanied by import GDs and the aspect of quantity was not properly addressed in their Sales Tax invoices. Furthermore, no invoices of imports of last three months were submitted nor were any copies of contracts or



LCs opened submitted. The market inquiry conducted by the Directorate confirmed that the crockery imported from UAE was more or less of the same price as of Chinese crockery. However, the price trend in all types of crockery was found on the higher side than the one determined vide Valuation Ruling 645/2014 dated 18-03-2014. Therefore it was decided to raise the value of all types of crockery keeping in view their prices in the local market, available data and all types of variety.

5. **Method adopted to determine Customs values:** After detailed deliberation, valuation methods stipulated in Section 25 of the Customs Act, 1969 were sequentially followed and thoroughly exhausted to arrive at fair value of Porcelain Ware / Glass Ware. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available. Methods provided in Section 25(5) & (6) regarding Identical / Similar goods value 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 variety of material, its kinds, constituent materials, its specifications and types and absence of authentic source. Thereafter, a market enquiry as envisaged under Section 25(7) of the Customs Act, 1969, was conducted. The prices of different types of Porcelain Ware / Glass Ware in the market varied significantly and were heavily dependent on the location of the selling point or shop in the city. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs of constituent material in the country of export were not available. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, after due deliberation, the Customs values of Porcelain Ware / Glass Ware have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Porcelain Ware / Glass Ware:** Customs Values of Porcelain Ware / Glass Ware *hereinafter specified* shall be assessed to duty and taxes on the Customs values mentioned against them in the Table below: -



S.No.	Description	PCT Heading	Proposed PCT for WeBOC	Origin	Customs Values (C&F) (US\$/KG)
(1)	(2)	(3)	(4)	(5)	(6)
1	Tableware, Kitchenware, other Household articles, of porcelain or China (Non-Gold plated)	6911.1010 6911.1020 6911.1030 6911.1040 6911.1090 6911.9000	6911.1010.1000 6911.1020.1000 6911.1030.1000 6911.1040.1000 6911.1090.1000 6911.9000.1000	China	0.75
				Indonesia	0.75
				Iran	0.81
				UAE	0.75
				Malaysia	1.10
				Thailand	1.10
				Korea	1.10
				Europe/USA/Canada	1.45
				Others	1.30
				2	Tableware, Kitchenware and other Household articles of Porcelain or China (Gold-plated)
Indonesia	0.97				
Iran	1.00				
UAE	0.97				
Malaysia	1.30				
Thailand	1.30				
Korea	1.30				
Europe/USA/Canada	1.90				
Others	1.50				
3	Glassware of a kind used for Table, Kitchen, indoor decoration or similar purposes. (Clear /Opal)	7013.1000 7013.2800 7013.9900	7013.1000.1000 7013.2800.1000 7013.9900.1000		
				Indonesia	0.68
				Iran	0.75
				UAE	0.89
				Malaysia	1.00



				Thailand	1.00
				Egypt	1.00
				Korea	1.00
				Brazil	1.00
				Turkey	1.00
				Saudi Arabia	0.92
				Europe/USA/Canada	1.37
				Others	1.25
4	Glassware of a kind used for Table, Kitchen, indoor decoration or Similar purposes (Gold plated).	7013.1000 7013.2800 7013.9900	7013.1000.1100 7013.2800.1100 7013.9900.1100	China	1.05
				Indonesia	0.89
				Iran	0.95
				UAE	1.05
				Malaysia	1.21
				Thailand	1.21
				Egypt	1.21
				Korea	1.21
				Brazil	1.21
				Turkey	1.21
				Saudi Arabia	1.05
				Europe/USA/Canada	1.84
				Others	1.60

Note: *This Valuation Ruling does not apply to Wedgewood, Waterford, Royal Albert, Royal Doulton, Royal Crown Derby, Corelle, Royal Copenhagen, Limoges, Noritake, and other equivalent brands, *This Valuation Ruling does not apply to crystal Ware, including Lead Crystal.*

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 differential between air freight and sea freight while applying the Customs values determined in this Ruling.

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 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.

11. ***This ruling supersedes Valuation Ruling No.645 / 2014, dated 18-03-2014.***


(Manzoor Hussain 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 Valuation Ruling No.645/2014, dated 18-03.2014.
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, Appraisal, 1st Floor, Custom House, Karachi.
21. Guard File.