

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

File No. DG (V)/Val. Rev/130/2017

Dated 22nd June, 2018

**Order in Revision No. 15 /2018 under Section 25-D of the Customs Act, 1969
against Valuation Ruling No. 1169/2017 dated 25-05-2017**

- i. *This copy is granted free of charge for the private use of the person to whom it is issued.*
- ii. *An appeal against this Order-in-Revision lies to the Appellate Tribunal, Customs having jurisdiction, under section 194-A of the Customs Act, 1969, within stipulated period as prescribed under the law. An appeal should bear a court fee stamp of Rs.1000/- (Rupees one thousand) only as prescribed under schedule-II item 22 of the Court Fee Act, 1870 and must be accompanied by a copy of this Order.*
- iii. *An extra copy of appeal, if filed, should simultaneously be sent to this office for information and record.*
- iv. *If an appeal is filed, the appellant should state whether he desires to be heard in person or through an advocate.*

M/s. S. S. Corporation

VERSUS

..... PETITIONER

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

08-08-2017, 20-09-2017 & 28-11-2017

For the Petitioners

Mr. Abdul Sattar for M/s S.S. Corp.

For the Respondent

Mr. Safdar Abbas, Principal Appraiser
Mr. Altaf Hussain Mangi, Valuation Officer

This revision petition was filed under Section 25-D of the Customs Act, 1969 against Customs values determined vide Valuation Ruling No. 1169/2017 dated 25-05-2017 issued under Section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

2. That this is a petroleum base product being on the lowest side; the director did not consider the prevailing factors, and issued the subject valuation ruling. During the hearing, we offered them export declaration document showing value US\$ 2.06/Kg for Chinese origin. This is 10% higher than the current prices in China. Please advise the Directorate to reconsider prevailing factors and fix a justified value for Chinese origin Baby Diapers.

3. The respondent department was asked to furnish comments to the arguments submitted by the petitioners in the case. Comments on the petition are given as under:-

COMMENTS BY THE DEPARTMENT

The Valuation Ruling No. 1169/2017 dated 25-05-2017 in respect of Baby Diaper and Sanitary Towels / Napkins and Tampons had been issued in accordance with the current international price trend.

Valuation Ruling No. 870/2016, dated 14-06-2016 due to non reflection in the current international price trend which was challenged by the importer of the same item before the competent authority i.e. Director General Customs Valuation under Section 25D of the Customs Act, 1969. After issuance of Order in Review No. 224/2016 dated 04-08-2016, many importers challenged the Order in Revision before the Customs Appellate Tribunal. The Customs Appellate Tribunal set aside the Order in Revision. The Directorate General initiate exercise for redetermination of Customs values a fresh in the light of Customs Appellate Tribunal order dated 10-12-2016. Stakeholders meeting were convened on 18-05-2017. However, the Director issued a new Valuation Ruling No. 1169/2017 dated 25-05-2017 after due process i.e. stakeholders including Federation of Pakistan Chamber of Commerce and Industry who is main representing body of trade all over the country. The Karachi Chamber of Commerce and Industry, which represents whole Karachi base importers/traders.

The methodology adopted concern it is stated that transaction value method provided in Section 25(1) was found inapplicable because the requisite information was not available. 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 inquiry as envisaged under Section 25(7) of the Customs Act, 1969 was conducted. The computed value method as provided in Section 25(8) of the Custom Act, 1969, could not be applied as the conversion costs from constituent material at the country of Export were not available. On line values of subject goods were also obtained. All information so gathered was evaluated and analyzed for the purpose of determination of Customs values. Consequently, the Customs values Baby Diapers have been determined under Section 25(9) of the Custom Act, 1969 on the other hand the importer/appellant M/s. S.S. Corporation has submitted that their transaction value of Baby Diapers in US\$ 1.90/Kg as against Customs values determined at Table-B @ US\$ 2.06/Kg, but they have not furnished their import documents as well as sample of their goods particularly copies of sales tax invoice which were asked vide letter No.DG(V)Val.Rev/110/2017/1548, dated 21-07-2017.


PRAYER

It is respectfully prayed that the Customs values were determined vide Valuation Ruling No. 1169/2107 dated 25-05-2017 within the prescribed methodology under Section 25A of the Customs Act, 1969. Moreover the appeal being without requisite / tangible documents/ evidences, has no merit for consideration and is liable to be rejected.

ORDER

4. I have examined the written as well as verbal submissions of the petitioner and the respondent department. The main contention of the petitioner is that the Customs values of Baby Diapers determined vide impugned valuation ruling No.1169/2017 dated 25-05-2017 are on higher side and not reflective of the prevalent market prices and that legal obligations as laid down under section 25 of the Customs Act 1969 were not met in the process of determination of these values. The departmental representatives explained in detail the valuation methodologies adopted by them to arrive at the Customs values determined vide the impugned valuation ruling. In support of their contention they presented various details of their valuation exercise/ working.

5. It is observed that the petitioner in their written and verbal submissions could not provide any substantive argument to support his claim. He was given ample opportunity to provide documentary evidence to substantiate his declared value as true and correct transaction value. As the petitioner has not put forward any solid argument, therefore, I do not find any reason to interfere with the Customs values determined by the department vide Valuation Ruling No.1169/2017 dated 25-05-2017. Hence the review petition is hereby rejected.


(Suraiya Ahmed Butt)
Director General

Registered copy to:

M/s. S.S. Corporation,
Luxmi Building, M.A. Jinnah Road, Karachi.

Copy to:

1. Member (Customs), FBR, Islamabad.
2. Chief Collectors Customs Appraisement (South)/Enforcement, Karachi/
(North) Islamabad / (Central) Lahore.
3. Collector, MCC Appraisement (East)/ Appraisement (West)/Port M. Bin Qasim/
Preventive, Karachi.
4. Collector, MCC, Appraisement/Preventive, Lahore/Quetta/Peshawar/Faisalabad/
Sambrial/Multan/Hyderabad/Islamabad/Gilgit-Baltistan/Gawadar.
5. Director, Customs Valuation, Karachi/Lahore.
6. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi for uploading
in One Customs and WeBOC Database.
7. Deputy Director (Review), Karachi.
8. All Deputy/Assistant Directors (Valuation)
9. Guard File.