



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

Determination of Customs Values of Artificial Imitation Jewellery Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1376 / 2019)

No. Misc./14/2010-V

Dated: 30th May, 2019

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Artificial Imitation Jewellery are determined as follows: -

2. **Background of the valuation issue:** Earlier Customs values of Artificial Jewellery were determined under Section 25-A of Customs Act, 1969 vide Valuation Ruling No. 1007/2017 dated 11-01-2017 and revised vide Order-In-Revision No. 301/2017 dated 08-02-2017. Representations were received in this Directorate from Model Customs Collectorate of Appraisement (East), Karachi that assessable values of Artificial Imitation Jewellery of Indian as well as other origins may be revised in line with current market prices. Therefore, an exercise was undertaken to determine the customs values of Artificial Jewellery afresh under Section 25-A of the Customs Act, 1969.

Stakeholders' participation in determination of Customs values: Meetings with stakeholders were scheduled and held on 14-05-2018, 24-05-2018, 05-06-2018, 26-06-2018, 02-07-2018, 03-09-2018, 12-12-2018 and 15-03-2019 with the importers and representatives of MCC, Appraisement (East/ West), Karachi. The participants were requested to submit following documents before or during the meetings so that correct customs values could be determined:

- Invoice of Imports made during last three months showing factual value.
- Websites, names and E-mail addresses of known foreign suppliers / manufacturers of the item in question through which the actual current value could be ascertained.
- Copies of contracts made / LCs opened during the last three months showing the value of items in question.
- Copies of Sales Tax paid invoices issued during last four months (excluding duty and taxes) to substantiate their contentions.

4. The requisite documents were not submitted by the importers. The stakeholders, during the meetings, stated that the issue of under invoicing raised in the Collectorate pertains to Indian origin jewellery which was also endorsed by representatives of MCC (Appraisement) West. The discussion revealed that imported artificial jewellery into Pakistan from China constitutes approx. 90% of total imports whereas the rest is from India and other origins. The artificial jewellery imported from China and India is manufactured using Iron, Steel & Lead, as base metal while minor quantities of Jewellery are produced using Brass and Copper as base metal. Similarly, certain type of Jewellery are adorned with the inexpensive simulated Gemstones, Glass and Glass Beads etc. Importers further prayed that the Fancy Branded designers and fine Jewellery, as per previous practices, may be kept out of the purview of this Valuation Ruling.

5. It was agreed during the meeting that values given in the Ruling will include only sea freight whereas the air freight component will be decided by the clearance Collectorates as per actual air freight paid where the goods have been imported by air. Furthermore, it was also decided that assorted /designer ware jewellery shall not be assessed at values mentioned in this Valuation Ruling. The Collectorate shall assess the same under Section 25 ibid.

6. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. Transaction Value Method under Sub-Section (1) of Section 25 of the Act ibid was found inapplicable because required information under the law was not available. Identical /Similar Goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969 were examined for applicability to the valuation issue in the instant case which provided a number of reference values of subject goods but the same could not be exclusively relied upon due to wide variations in the declared values. Thereafter, market enquiries as envisaged under section 25(7) of the Customs Act, 1969, were conducted and customs values of Artificial Imitation Jewellery were determined under section 25(7) of the Customs Act, 1969.

7. **Customs values for Artificial Imitation Jewellery:** Artificial Imitation Jewellery *hereinafter* specified shall be assessed to duty /taxes at the following Customs Values: -

S.No	Description	PCT	Proposed PCT for WeBOC	Origin	Custom Value in C&F USS/Kg
1	2	3	4	5	6
1	Electroplated white / yellow, without stones/beads	7117.1900	7117.1900.1000	China	3.54
		7117.9000	7117.9000.1000		
2	Electroplated white / yellow, without stones/beads	7117.1900	7117.1900.1100	India	4.14
		7117.9000	7117.9000.1100		
3	Electroplated white / yellow, without stones/beads	7117.1900	7117.1900.1200	Other origin	4.97
		7117.9000	7117.9000.1200		
4	Electroplated white / yellow, with plastic and glass stones /beads	7117.1900	7117.1900.1300	China	4.12
		7117.9000	7117.9000.1300		
5	Electroplated white / yellow, with plastic and glass stones /beads	7117.1900	7117.1900.1400	India	5.10
		7117.9000	7117.9000.1400		
6	Electroplated white / yellow, with plastic and glass stones /beads	7117.1900	7117.1900.1500	Other origin	6.12
		7117.9000	7117.9000.1500		
7	Fancy Electroplated white / yellow, with Crystal glass stones/beads	7117.1900	7117.1900.1600	China	11
		7117.9000	7117.9000.1600		
8	Fancy Electroplated white / yellow, with Crystal glass stones/beads	7117.1900	7117.1900.1700	India	20
		7117.9000	7117.9000.1700		
9	Fancy Electroplated white / yellow, with Crystal glass stones/beads	7117.1900	7117.1900.1800	Other origin	24
		7117.9000	7117.9000.1800		
10	Note: The values specified above shall not be applicable on branded or designer jewellery. The same may be assessed under Section 25 of the Customs Act, 1969.				

8. 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.

9. **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.

10. **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.

11. 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 this Directorate General immediately. Customs values determined in the ruling are for the description 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 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.

12. *This ruling supersedes Valuation Ruling No. 1007/2017, dated 11-01-2017.*


(Shafique Ahmed Latki)
Director

Copy for information to: -

1. The Member (Customs), FBR, Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, (Appraisal), South Custom House, Karachi.
4. The Chief Collector of Customs, (Enforcement), South Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Chief Collector of Customs, Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
10. The Director General, Post Clearance Audit (PCA), Islamabad.
11. The Director General, I.O.C.O, Karachi.
12. The Director General, Internal Audit (Customs), Karachi.
13. The Director General, Intelligence & Investigation, Islamabad.
14. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
15. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
16. Guard File.