



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 (Appraisement / Preventive) / Peshawar/ Gawadar/ Gilgit-Baltistan/ Exports (Karachi/Port Qasim)/ Director Transit Trade, Karachi.

**Determination of Customs Values of Stationery Items-II (Pencils/Ball points/  
Pens of all sorts) Under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. 1379 / 2019)

No. Misc/06/2009-IX.Part-III /2131

Dated: June 27, 2019.

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Stationery Items-II (Pencils/Ball points/Pens of all sorts) are determined as follows:

2. **Background of the Valuation Issue:** Customs values of Stationery Items (Pencils/Ball points/Pens of all sorts) were earlier determined vide Valuation Ruling No.1182/2017 dated 16.06.2017. The Director General Customs Valuation rejected the review petitions filed by some of the stakeholders against said Valuation Ruling vide Order-in-Revision No 418/2016 dated 08.12.2017. However, the Customs Appellate Tribunal Karachi vide orders dated 28.08.2018 set aside the Order-in-Revision and Valuation Ruling to the extent of some serial Nos. Meanwhile, some importers approached the Honourable High Court of Sindh, Karachi for provisional release and, thus availed the facility of provisional clearances under Section 81 of the Customs Act, 1969. Moreover, there were several representations from the importers as well as local manufacturers wherein they requested for re-determination of the customs values of the subject items afresh. Keeping in view the above stated position, this Directorate General initiated an exercise for re-determination of the customs values of Stationery Items-II (Pencils/Ball points/Pens of all sorts) in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs Values:** Several meetings with stakeholders, including importers, manufacturers and representatives from field formations, were held to discuss the current international prices of the subject goods. The stakeholders were requested to submit following documents before or during the course of meetings so that customs values could be determined:

- i) Invoices of imports during last three months showing customs value.
- ii) Websites, names and E-mail 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 item in question.
- iv) Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

4. The main issue during the meetings, as it emerged, was the values of black lead pencils. There were contrasting and diagonally opposite opinions of local manufacturers and importers on the customs values of said pencils. M/s Dollar Industries (Pvt) Ltd. and the local manufacturers led by Writing Instruments Manufacturers Group of Pakistan, separately



submitted work sheets based on printed Trade Price lists of imported items along with trade sample for physical verification of weight of black lead/ colour pencils. The work sheets furnished by both parties, although based on same printed Trade Price Lists, varied significantly on account of deduction of taxes especially income tax and anti-dumping duty, expenses of packing/ advertisement and margins of profits for importers and distributors. In order to arrive at actual costs and profit margins during and after the imports, the importers were requested repeatedly and then issued notice under Section 26 of the Customs Act, 1969 to provide relevant documents, receipts etc. but no proper response was received. Similarly, the manufacturers were repeatedly asked to provide their sales tax invoices, costing break-up of value addition process undertaken by them after the import of raw materials (wooden slates), but no documents or evidences as requisitioned were submitted during or even after the stakeholders' meetings. M/s Dollar Industries, however, submitted their Sales tax invoices, and also the export GDs from the country of origin in support of their contention. The importers of other stationary items stated that the subject items are mainly for educational purposes for students use. They contended that values of these items in the impugned ruling were fixed on higher side which are required to be rationalized downward in accordance with the prices in international markets. The view point of all participants was heard in detail and considered to arrive at Customs values of the subject goods.



**5. Method adopted to determine Customs Values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at values of Stationery Items-II (Pencils/Ball points/Pens of all sorts). Transaction value method provided in Section 25 (1) was found inapplicable due to wide variations in the values being declared to the customs. 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 variations in declared values. Thereafter, market enquiry as envisaged under Section 25 (7) of the Customs Act, 1969, was conducted; different markets were surveyed for this purpose. Online prices were also obtained to corroborate the findings of the market surveys. Computed Value Method as provided in Section 25 (8) could not be applied for valuation of the aforementioned goods as the cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25 (8) of the Act, in the country of export, could not be ascertained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Stationery Items-II (Pencils/Ball points/Pens of all sorts) have been determined under Section 25 (9) of the Customs Act, 1969 accordingly.

**6. Customs values for Stationery Items-II (Pencils/Ball points/Pens of all sorts):** Stationery Items-II (Pencils/Ball points/Pens of all sorts), *hereinafter specified*, shall be assessed to duty/taxes at the following Customs Values:

S. No	Description of goods	H.S. Code	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$
(1)	(2)	(3)	(4)	(5)	(6)
1.	Ball Point Pens (Excluding Gel Pen and Roller Pen)	9608.1000	9608.1000.1000	China	0.09/Pc
			9608.1000.1100	Europe/ Japan/ USA/ Canada	0.13/Pc
			9608.1000.1200	Other Origins	0.11/Pc

2.	Markers all types (Except paint and drawing markers)	9608.2000	9608.2000.1000	China	0.17/Pc
			9608.2000.1100	Europe/ Japan/ USA/ Canada	0.35/Pc
			9608.2000.1200	Other Origins	0.26/Pc
3.	Paint & Drawing Marker	9608.2000	9608.2000.1300	China	0.33/Pc
			9608.2000.1400	Europe/ Japan/ USA/ Canada	0.63/Pc
			9608.2000.1500	Other Origins	0.48/Pc
4.	Highlighters	9608.2000	9608.2000.1600	China	0.16/Pc
			9608.2000.1700	Europe/ Japan/ USA/ Canada	0.26/Pc
			9608.2000.1800	Other Origins	0.23/Pc
5.	Fine Liner Pens (Low end/unknown brands)	9608.2000	9608.2000.1900	China	0.16/Pc
			9608.2000.2000	Europe/ Japan/ USA/ Canada	0.28/Pc
			9608.2000.2100	Other Origins	0.18/Pc
6.	Fountain Pen with Plastic cap (Low end/ unknown brands )	9608.2000	9608.2000.2200	China	0.18/Pc
			9608.2000.2300	Europe/ Japan/ USA/ Canada	0.47/Pc
			9608.2000.2400	Other Origins	0.28/Pc
7.	Roller Pen (Low end/ unknown brands)	9608.2000	9608.2000.2500	China	0.26/Pc
			9608.2000.2600	Europe/ Japan/ USA/ Canada	0.38/Pc
			9608.2000.2700	Other Origins	0.33/Pc
8.	Gel Pen (Low end/ unknown brands)	9608.2000	9608.2000.2800	China	0.16/Pc
			9608.2000.2900	Europe/ Japan/ USA/ Canada	0.28/Pc
			9608.2000.3000	Other Origins	0.23/Pc
9.	Fibre Tip Colouring Pen with water base ink for student use excluding Fine Liner Pen, Permanent Markers, White Board Markers, Highlighters & Gel Pen etc. (Low end/ unknown brands)	9608.2000	9608.2000.3100	China	0.08/Pc
			9608.2000.3200	Europe/ Japan/ USA/ Canada	0.14/Pc
			9608.2000.3300	Other Origins	0.11/Pc
10.	Pen with Tips on Both Sides (Low end/ unknown brands)	9608.2000	9608.2000.3400	China	0.17/Pc
			9608.2000.3500	Europe/ Japan/ USA/ Canada	0.32/Pc
			9608.2000.3600	Other Origins	0.26/Pc
11.		9608.3000	9608.3000.1000	China	0.24/Pc



	Fountain Pen with Metal cap (Low end/ unknown brands)		9608.3000.1100	Europe/ Japan/ USA/ Canada	0.56/Pc
			9608.3000.1200	Other Origins	0.37/Pc
12.	Colour Pencils (Half/Full size)	9609.1000	9609.1000.1000	China	6.00/kg
			9609.1000.1100	Other Origins	8.75/Kg
13.	Black Lead pencils with or without Rubber Tip	9609.1000	9609.1000.1200	China	5.30/Kg
			9609.1000.1300	Other Origins	8.00/Kg
14.	Crayons	9609.1000	9609.1000.1400	China	2.55Kg
			9609.1000.1500	Other Origins	3.45Kg
15.	Oil Pastels	9609.1000	9609.1000.1600	China	2.50Kg
			9609.1000.1700	Other Origins	3.40/Kg
16.	Raw Pencil (Black Lead) without polish/ paint	9609.1000	9609.1000.1800	All Origins	5.00/Kg
17.	Writing/Drawing Board (Black/White)	9610.0000	9610.0000.1000	China	1.90/Kg
			9610.0000.1100	Other Origins	2.40/Kg



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 or in case of import through Land Customs Stations, the differential amount between the Sea freight and land transport charges 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 values 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, 7<sup>th</sup> Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in this Valuation 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 specification as mentioned in the table of this Ruling. 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.

11. *This Ruling supersedes the Valuation Ruling No.1182/2017, dated 16-06-2017.*

  
(Shafique Ahmad Lafki)  
Director

Copy for information to:

1. The Member (Customs), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), 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, Internal Audit (Customs), Karachi.
12. The Director General, IOCO, Karachi.
13. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
14. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading, in WeBOC database system and deleting VR No 1182/2017, dated 16-06-2017.
15. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
16. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & Peshawar.
17. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
19. Karachi Customs Agents Group, Bohri Road, Karachi.
20. The CHO, Customs Valuation, Custom House, Karachi.
21. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisalment (East/West), Custom House, Karachi.
22. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading on FBR website.
23. Guard File.