



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

DETERMINATION OF CUSTOMS VALUES OF MOBILE PHONE LCD
SCREENS (HS CODE 8517.7000) UNDER SECTION 25-A OF THE CUSTOMS
ACT, 1969

(VALUATION RULING NO. 1395 / 2019)

C.No. 29/Mobile-LCD/25A/2019-VII/2518

Dated: 25-10-2019

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Mobile Phone LCD Screens are determined as follows:-

- 2. Background of the valuation issue:** Previously Valuation Ruling No. 908/2016 dated 12-08-2016 was issued for mobile phone's accessories but the same did not include Mobile Phone LCD Screens. References were received from Collector, MCC Appraisement (West), Custom House Karachi and MCC Islamabad regarding under-invoicing of Mobile Phone LCD Screens. It was, therefore, requested to issue a separate Valuation Ruling under Section 25-A of the Customs Act, 1969 for said item. Analysis of data and prevalent international market prices also depicted higher values than those being declared at import stage. Accordingly, an exercise was initiated in this Directorate General to determine customs values of subject goods in terms of Section 25-A of the Customs Act, 1969.
- 3. Stakeholders' participation in determination of values:** Meetings with stakeholders were convened on 21-08-2019 and 15-10-2019 which were attended by



different stakeholders & importers. All the stakeholders / importers 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 six 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 the last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

4. The importer submitted documents like proforma invoices, EIF Forms, declarations etc, to prove their contention that their declared values are correct. During the course of meetings, it was apprised that all mobile phone LCD screens are imported in different form for smart / android phones etc; and feature / bar phones. LCD Screens for smart / android phones are imported in two parts viz. glass and LCD, and with technical process / mechanism, the two parts are combined to make the LCD Screen ready for use and onward sale. On the other hand, LCD Screens for all feature / bar phones are imported in ready to use form.

5. **Method adopted to determine Customs values:** Custom Valuation methods given in Section 25 of the Customs Act, 1969 were followed / applied in sequential order to address the valuation of Mobile Phone LCD Screens. Transaction value method under Sub-Section (1) of Section 25 of the Act *ibid* was found inapplicable because requisite information under the law was not available. Identical/similar goods valuation methods provided in Sub-Sections (5) & (6) of Section 25 of the Customs Act, 1969 provided some reference values but due to wide variation and suppressed declarations, the same could not be relied upon. In the sequential order, this office then resorted to conduct a market inquiry and, consequently, Deductive Value Method under Sub-Section (7) of

Section 25 of the Customs Act, 1969, was applied to arrive at the assessable Customs values of the subject goods, being most appropriate for the purpose. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values.

6. Customs values for: Mobile Phone LCD Screens *hereinafter specified* shall be assessed to duty/ taxes on the Customs values as given below :-

DESCRIPTION	ORIGIN	PCT HEADING	WeBOC PCT	ASSESSABLE VALUE IN US\$/KGS
ALL TYPES OF MOBILE PHONE LCD SCREENS	CHINA / HONGKONG	8517.7000	8517.7000.1000	3.50 (FOB), (FOR AFU ONLY)
-DO-	OTHERS		8517.7000.1100	3.85 (FOB) (FOR AFU ONLY)
-DO-	CHINA / HONGKONG		8517.7000.1200	5.00 (C&F) (FOR SEA ONLY)
-DO-	OTHERS		8517.7000.1300	5.50 (C&F) (FOR SEA ONLY)

NOTE: FOR AFU SHIPMENTS, ACTUAL AIR FREIGHT WILL BE ADDED TO THE ABOVE FOB VALUES. HOWEVER, MINIMUM ASSESSABLE VALUE AFTER ADDING AIR FREIGHT SHOULD NOT BE LESS THAN US\$ 7.00/KGS.

7. In cases where declared / transaction values are higher than the Customs value determined in this Ruling, the assessing officer shall apply those values in terms of Sub-Section (1) of Section 25 of the Customs Act, 1969.

8. **Validity of this Valuation Ruling:** The value 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. **Review of the value determined vide this Valuation Ruling:** A review 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, 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 with respect to PCT may kindly be brought to the notice of Directorate General immediately.


(Shalique Ahmed Larki)
Director

Copy for information to: -

1. The Member (Customs, Operations), 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, (Enforcement), Custom House, Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, Post Clearance Audit (PCA) & Internal Audit, Karachi.
10. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar/ Faisalabad.
11. The Director, Directorate General of Customs Valuation Custom House, Lahore.
12. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
13. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
14. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
15. The Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
16. The Karachi Customs Agents Group, Bohri Road, Karachi.
17. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi.
18. The Webmaster, Federal Board of Revenue, Islamabad.
19. Guard File.