

The Collector of Customs, Model Customs Collectorates, Appraisalment and Facilitation (East / West) / Port Qasim / Enforcement and Compliance, JIAP, Karachi / (Appraisalment and Facilitation / Enforcement and Compliance), AIIA Lahore / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Appraisalment and Facilitation / Enforcement and Compliance Peshawar / Gwadar / Gilgit-Baltistan / Exports (Karachi / Port Qasim) / Transit & Trade, Karachi.

Determination of Customs Values of Mobile Accessories
under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1462 / 2020)

No. Misc/20/2016-VII/5030

Dated: 11th August, 2020

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, Customs values of Mobile Accessories are determined as follows.

2. **Background of the valuation issue:** Earlier customs values of Mobile Accessories were determined under section 25-A of the Customs Act, 1969, vide Valuation Ruling No. 1448/2020 dated 02-06-2020 and subsequent Corrigendum dated 17-06-2020. A revision petitions was field before the Director General Customs Valuation, who vide Order in Revision No. 18/2020 dated 07-07-2020 remanded back the impugned Valuation Ruling with the directions to re-determine Customs Values after conducting detailed market surveys. It was also directed that sufficient hearing opportunities to all stakeholders be provided and the categories of the goods be formulated as per market values of those goods. Therefore, an exercise was initiated to re-determine the customs values of Mobile Accessories under Section 25-A of the Customs Act, 1969 in the light of directions given in said Order in Revision.

3. **Stakeholders' Participation in Determination of Customs Values:** Meetings with the importers / stakeholders and trade bodies were held in this Directorate General on 15-07-2020, 23-07-2020 and 05-08-2020. The importers / stakeholders were requested to submit their proposals / suggestions as well as following documents before or during the course of stakeholders' meetings so that Customs values could be determined:

- i. *Copies of invoices of imports (including GDs, ER, PL, BL, & all related imported documents each GD-wise) during last one year (Prior to VR 1448/2020 dated 02-06-2020) showing factual 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 one year (Prior to VR 1448/2020 dated 02-06-2020) showing the value of item in question, each GD-wise.*
- iv. *Copies of Sales Tax Invoices issued during last one year (Prior to VR 1448/2020 dated 02-06-2020) showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers, each GD-wise.*
- v. *Latest price catalogue issued from manufacturer.*
- vi. *Manufacturer's discount schedule if any.*
- vii. *Copies of export GDs of manufacturer.*

4. The meetings were attended by different importers. No one raised any objection on values given in Table-A of the Ruling. Only Mr. Muhammad Naeem of M/s. Dany Technologies, Mr. Muhammad Jahangir of M/s. Stone Enterprises and Mr. Shahid Hussain of M/s. Blue IP Services, owners of brands "Audionic", "Ronin" and "Faster" respectively contended that inclusion of their respective local brands in category-A alongside international brands was unjustified. According to them, the specifications and qualities etc. of their goods as well as values were at par with those imported by other importers because these are purchased from same suppliers / manufacturers in China. They only get their goods labelled / packed with the brand name. As they have established their brands with extensive marketing, they sell goods at bit higher rates in local market to cover expenses incurred on advertising etc. The market values of goods pertaining to said brands as well as values available on their websites show marked difference from unbranded items. Their values, however, were on lower side than known international brands. The owner of said brand did not provide any documents to substantiate their claim of purchases from same supplier / manufacturer and at same value paid by common importers. It was accordingly considered appropriate to create a separate value table for these brands between Category "A" & "B" of earlier Valuation Ruling.

5. As far as other importers are concern, no one submitted any document as requested vide para-3 above. The view point of all participants were heard in detail and considered to arrive at Customs value of the subject goods.

6. **Method adopted to determine Customs Values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to arrive at Customs values of subject goods. The transaction value method as provided in sub-Section (1) of Section 25 of the Customs Act, 1969 was found inapplicable due to wide variation of values displayed in the import data. Moreover, importers / stakeholders attended the meetings but did not submit any documentary evidences to prove that their declared value was true transactional value. Hence, requisite information under law was not available to arrive at the correct transaction value. Therefore, identical / similar goods value methods as provided in sub-Sections

