

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACH

File No. DG(V)Val-Rev/11/2020 /4028

7th July, 2020

Order in Revision No. 18 /2020 Under Section 25-D of the Customs Act, 1969,
against Valuation Ruling No. 1448/2020 Dated: 02-06-2020.

- 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. Star Trading & Others

..... PETITIONER

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

26-06-2020 & 02-07-2020

For the Petitioners
At Lahore:

Mr. Aamir Aslam Malik, GS Hall Road Association,
Mr. Asif Saeed, Mr. Babar Ali Khan,

At Karachi:

Mr. Gulamullah and Ms. Rafia Maniar for M/s
Franklin Law Associates,
Mr. M. Asif Khan, M/s Gaba Enterprises,
Mr. Naeem, M/s Dany Technology,
Mr. Imran and Mr. Yasseen, M/s Waqas Mobiles,
Mr. Madan Lal M/s Madan Law Associates,
Mr. Taufeeq Ismail, M/s AR International,
Mr. Jahangir and Mr. Faisal, M/s Stone Enterprises,

For the Respondent

Mr. Imtiaz Hussain Khan, Principal Appraiser,

This revision petition was filed under Section 25-D of the Customs Act, 1969, against customs value determined vide Valuation Ruling No. 1448/2020, dated 02.06.2020, issued under Section 25-A of the Customs Act, 1969, inter alia, on the following grounds:

2. Being aggrieved by and dissatisfied with the Valuation Ruling No. 1448/2020, dated 02.06.2020, (hereinafter referred to as the impugned Ruling) by the respondent. The applicant begs to prefer this petition inter-alia on the following facts and grounds:-

3. FACTS

1. That our client is a duly registered sole proprietorship engaged in import and trading of miscellaneous products including electronic items, *inter alia*, including mobile speakers, earphones, mobile charger, power bank, data cable & tablets etc of low-end brands. The electronic accessories are mainly imported from China. Our client enjoys an unblemished reputation in the electronic circle, having spotless record towards payment of government's legitimate revenues in accordance with law. Our client is a regular taxpayer / filer operative on the Active Taxpayer List of FBR.
2. That during August, 2016, the Directorate General of Customs Valuation, Customs House Karachi, initiated an exercise for determination of Customs Values of mobile accessories of different brands and specifications and issued Valuation Ruling No. 908 / 2016 dated 12.08.2016 in supersession of earlier Valuation Ruling No. 374 / 2011 dated 14.09.2011 pertaining to unbranded Mobile Battery / mobile battery charger. That the mobile accessories were classified under Category-A (meant for high-end brands) and Category-B (meant for low-end brands). Brands such as Creative, Bosch, Logitech, Philips, Samsung and Sony etc were placed under Category-A of the Valuation Ruling whereas brands such as Universal, Q-Mobile, Lava, Haier, SKB & other similar low-end brands were placed in Category-B of the ruling.
3. That being aggrieved of the determination of exorbitant customs values vide Valuation Ruling No. 908 / 2016 dated 12.08.2016, the aggrieved importers filed a representation before the Directorate General of Customs Valuation, Karachi, under section 25-D of the Customs Act, 1969. The aggrieved importers contended therein that the impugned Valuation Ruling had increased value of some of the mobile accessories to the tune of more than 900%. That the values determined vide the aforesaid Valuation Ruling were fixed in haste and in utter violation of the *modus operandi* laid down in section 25 & 25A of the Customs Act, 1969, by arbitrarily resorting to fall back method provided under section 25 (9) of the Customs Act, 1969, without reasonable & mandatory explanation as to how previous methods could not be invoked. After hearing the department and the aggrieved importers at length, the Director General of Customs Valuation was pleased to pass Order-in-Revision No. 240 / 2016 dated 08.09.2016 in favour of the aggrieved importers for revision / re-determination of the customs values of low end brands of Chinese origin (Category-B) as appearing in Column (6) of Para (6) of the Valuation Ruling No. 908 / 2016 dated 12.08.2016. As such, the customs values of mobile accessories such as mobile charger with wire, mobile charger without wire, car charger (single pin), car charger (multi pin), selfie stick with remote, selfie stick without remote, earphone and mobile hand free etc were reduced by the Directorate General of Customs Valuation, Karachi, keeping in view the material evidence and argument put forth by the aggrieved importers during the proceedings.
4. That our client is a regular importer of mobile accessories of various low-end brands and specifications from China. The consignments of mobile accessories of various low-end brands and specifications imported by our client and various other importers were invariably assessed by the customs department as per applicable Valuation Ruling No. 908 / 2016 dated 12.08.2016, Order-in-Revision No. 240 / 2016 dated 12.08.2016 and corrigendum issued there under. As such, the imported mobile accessories, *inter alia*, including earphones, speaker 2.0 (with all options), Power Bank (Power: 100000 MAH) & Mobile speakers were invariably assessed at 0.15\$, 2.5\$, 2.0\$ & 0.28\$ respectively as per



