

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



Valuation Ruling No. 908 / 2016 dated 12.08.2016, Order-in-Revision No. 240 / 2016 dated 12.08.2016 and corrigendum issued there under.

5. That during June, 2020, the Directorate General of Customs Valuation, Karachi, issued a Valuation Ruling No. 1448 / 2020 dated 02.06.2020 in supersession of previously applicable Valuation Ruling No. 908 / 2016 dated 12.08.2016 and unjustifiably enhanced the customs values of the mobile accessories that have put a definite strain on the business of our client. Our client imports mobile accessories of various low-end brands falling under Category-B of the erstwhile Valuation Ruling No. 908 / 2016 dated 12.08.2016 & Table-B of the impugned Valuation Ruling 1448 / 2020 dated 02.06.2020 whereas the impugned Valuation Ruling has unilaterally enhanced customs values of brands falling under Table-B of the impugned Valuation Ruling without any tenable justification. The mobile accessories of assorted low-end brand imported by our client are specifically designed to cater to requirement of mostly the South Asian Countries with lesser per capita income.
6. That the high landed cost of the product through implementation of the impugned Valuation Ruling is likely to pave way for smuggling of the items into local markets which will be detrimental to the public exchequer on the one hand, and huge loss of duties and taxes which are otherwise duly paid by the importers. The hike in the customs values of the imported mobile accessories of Table-B of the impugned Valuation Ruling is bound to seriously prejudice the potential importers of mobile accessories with their risk of survival in the local market all the more imminent in the existing global crisis caused by the pandemic. It is further pertinent to mention that the customs values of mobile accessories placed in Category-B are manifold higher than the actual prevailing values of the commodity in the markets. Even in China, the rates of like low-end brands' mobile accessories are three times lower than customs values pre-determined vide impugned Valuation.
7. That the re-determination of the customs values of the mobile accessories on the higher side vis-à-vis the erstwhile Valuation Ruling No. 908 / 2016 dated 12.08.2016 is arbitrary, unpredictable and untenable given the sheer & undeniable downward trend in the international market since the Covid-19 has left the international market in dismay. Whereas, on the one hand, the economic crisis has gravely stricken the whole world and the demand and supply and the buying power having been diminished, on the other hand, the impugned Valuation Ruling No. 1448 / 2020 dated 02.06.2020 has been issued by the competent authority with exorbitantly increased customs values of mobile accessories of brands falling under Table-B of the impugned Valuation Ruling. Therefore, keeping in view the prevalent circumstances, the surge in the customs values of the mobile accessories of various brands falling in Table-B is highly unjustifiable and a significant blow to already the business community / mobile accessories' importers / our client in shambles.
8. That perusal of the impugned Valuation Ruling reveals that the same has been issued under subsection (7) of section 25 of the Customs Act, 1969. Under sub-section (7)(a) of the section 25 of the Customs Act, 1969, read with Rule 119 of the Customs Rules, 2001, if the imported goods / identical or similar imported goods are sold in Pakistan in the condition as imported, the customs values of the imported goods shall be based on the price (unit price) at which the greatest number of units is sold. Neither the impugned Valuation Ruling discloses the unit price of the respective mobile accessories nor the record of greatest aggregate units sold at unit price to reach at a fair account of customs value of each imported mobile accessory. The impugned Valuation Ruling has, thus, been issued by the competent authority in clear negation of the law laid down in section 25 (7)(a) of the



Customs Act, 1969, and the detailed mechanism laid down vide Rule 119 of the Customs Rules, 2001.

9. That the valuation methods provided under the provisions of section 25 of the Customs Act, 1969, are to be applied in sequential manner. The insertion of the words “may or may not” in the provisions of sub-section 10 of section 25 ibid through Finance Act, 2007, does not dispense with the application of valuation method in sequential manner with the exception of rare occasions and exceptional circumstances. The issue was amicably clarified / interpreted by the august judgment of the Hon’ble High Court of Sindh in case of *Sadia Jabbar versus Federation of Pakistan and others*, reported in PTCL 2014 CL 537 & 2018 PTD 1746. Its relevant portion of the judgment is reproduced as below:
“.....In our view, therefore, the changes made to sub-section (10) have made no substantive change, and the principle of sequential application continues, as before, to apply to section 25 in full rigour.”
10. That in addition to above, it is pertinent to mention that for redetermination of customs values through market enquiry / survey under section 25(7) of the Customs Act, 1969, the market enquiry is essentially to be conducted in accordance with the comprehensive procedure, parameters and guidelines laid down vide Office Order No. 17 / 2014 dated 19.03.2014, whereas in the instant case, the purported market enquiry under section 25 (7) of the Customs Act, 1969, has been conducted in a clandestine manner without conforming to the mechanism laid down in the Office Order.
11. That being aggrieved of the exorbitant customs values of mobile accessories falling under Table-B of the impugned Valuation Ruling while mobile accessories of assorted low-end brands were being invariably assessed by the customs authorities as per as per Valuation Ruling No. 908 / 2016 dated 12.08.2016, Order-in-Revision No. 240 / 2016 dated 12.08.2016 and corrigendum issued there under at considerably lower customs values as evident from Goods Declarations annexed with the memo of petition, the instant review application under section 25D of the Customs Act, 1969, is preferred, *inter alia*, on grounds enumerated as under:



4. **GROUND**S

- A. That the issuance of Valuation Ruling No 1448 / 2020 dated 02.06.2020 in supersession of Valuation Ruling No. 908 / 2016 dated 12.08.2016 exhibiting exorbitant surge in the customs values of mobile phone accessories falling under Table-B is arbitrary, untenable and unjustified.
- B. That the mobile accessories of assorted low-end brands imported by our client and other like importers were being invariably assessed by the customs authorities as per Valuation Ruling No. 908 / 2016 dated 12.08.2016, Order-in-Revision No. 240 / 2016 dated 12.08.2016 and corrigendum issued there under at considerably lower customs values as per the data of evidential Goods Declarations. The department has unjustifiably, unilaterally and arbitrarily enhanced the customs values of mobile accessories of various low-end brands falling under Table-B of the impugned Valuation Ruling without any cogent reason or tenable justification, given the prevalent economic crisis. Therefore, increase in customs

values of mobile accessories vide impugned Valuation Ruling at the time of global economic turmoil is extremely unjust and unfair.

- C. That various stake-holders, including our client, were not associated in the proceedings initiated for the determination of customs values of imported mobile accessories of various brands and specifications, providing them a reasonable opportunity of being heard and to file a written representation for putting forth its concerns for fair determination of customs values keeping in view the global market conditions.
- D. That mere perusal of contents of para 5 of the impugned Valuation Ruling dated 02.06.2020 clearly reveal that application of sequential method as provided under section 25 of the Customs Act, 1969, was neither in the sequential manner nor any tenable and cogent evidence was either procured or relied upon to discard the transactional value of the subject goods under subsection (1) of section 25 *ibid.* Instead, the Valuation department haphazardly resorted to jump over to apply the provisions of subsection (7) of section 25 *ibid.* i.e. Deductive value method based on market enquiries whereas the methods provided under subsection (5) & (6) were totally ignored or overruled despite the fact that under-reference items mobile accessories are regularly imported and cleared by the clearance Collectorates and as such, valid data of import of similar or identical goods is readily available with PRAL. The non-application of subsection (5) & (6) of section 25 of the Customs Act, 1969, merely on the ground that the transactional values show variations, is apparently arbitrary and mala fide exercise on part of the valuation authorities. In fact, the valid and tenable evidence of contemporaneous imports are deliberately overlooked to fix notional values of the commodity with a view to generate more revenues rather to resort to proper valuation of under-reference goods. It is further pertinent to mention that the valuation department has not factually undertaken any effective investigation or enquiries from abroad / exporting country through Pakistani mission abroad or through any other resources while discarding the transactional value i.e. the amount paid or payable to determine customs value. The exercise is a stereotype mechanism reflected in almost all the Valuation Rulings issued by the valuation department. Since, the department's deviation from the applicable valuation methods provided under unambiguous provisions of section 25 *ibid* is quiet evident on the surface of the record, the impugned Valuation Ruling is liable to be set aside.
- E. That nonetheless, the provisions of section 25 (7)(a) of the Customs Act, 1969, and the rule 119 of the Customs Rules, 2001, envisage application of deductive value method for arriving at customs value by disclosing unit price of the respective commodity and the greatest quantity of units sold at a such price during the relevant time of import. The department miserably failed to mention unit price of identical or similar goods so sold in the greatest aggregate quantity in the local market. The impugned Valuation Ruling is liable to be set-aside on this ground alone. Needless to mention that unit price of single piece in the local market is always higher than the price of such items sold in greatest aggregate quantity.
- F. That the excessive surge of the customs values of the mobile accessories exhibited in the impugned Valuation Ruling is highly unjustifiable and untenable, given the complete halt of business throughout the world during the Covid-19. The re-determination of the customs values on higher side vis-a-vis the earlier Valuation Ruling No. 908 / 2016 dated



12.08.2016 is in no way justified. That, while the imports have collapsed, the industries have declined, the international rates of the various commodities including mobile accessories have manifested a sharp fall, the impugned Valuation Ruling has been issued by the competent authority completely neglecting the global economic crisis.

- G. That the market inquiry is essentially required to be conducted in accordance with the comprehensive procedure, parameters & guidelines laid down vide Office Order No. 17 / 2014 dated 19.03.2014. That in accordance with the above guidelines, Market Survey Team, at Pre-Survey Preparation vide Para (A)(i) of the above guideline, is obliged to conduct the identification of origin-wise categories / varieties / grades of goods as per import data; in Survey Methodology vide Para (B)(i) of the above guideline, to record origin-wise market values and specific descriptions of all categories / varieties / grades of goods under survey; in Post-Survey Methodology vide Para (C)(i) of the above guideline, to record origin-wise market values of goods after calculating and accounting for the impact of variables on market value. That from the bare perusal of the aforesaid Valuation Ruling, it is itself evident that the aforesaid mandatory procedure has not been adhered to by the competent authority. As such, the impugned Valuation Ruling is liable to be set-aside on this ground alone.
- H. That it is held by the Hon'ble High Court of Sindh in the case of *Sadia Jabbar versus Federation of Pakistan & others* reported in PTCL 2014 CL537 vide Para 28 thereof that determination of customs value under section 25A of the Customs Act, 1969, by adopting Deductive Value method provided under section 25(7) of the Customs Act, 1969, without adhering to the mechanism provided under section 25(7) *ibid.*, is ultra vires the provisions of section 25-A of the Customs Act, 1969.
- I. Further arguments may be urged, with the permission of the Authority, at the time of hearing of this application.



5.

PRAYER

In view of foregoing, it is humbly prayed that the Valuation Ruling No. 1484 / 2020 dated 02.06.2020, exhibiting excessive & exorbitant customs values of mobile accessories of assorted brands falling in Table-B of the impugned Valuation Ruling on the basis of application of section 25(7) of the Customs Act, 1969, without conforming to the section 25 (7)(a) of the Customs Act, 1969, and rule 119 of the Customs Rules, 2001, may kindly be set-aside, or in the alternative, a fresh Valuation Ruling may please be issued for determination of customs values in accordance with law. Prayer is made in the interest of justice.

6. The respondents were asked to furnish comments to the arguments submitted by the petitioner in the case. Para-wise comments on the petition are given as under:-

PARAWISE COMMENTS

The Valuation Ruling No.908/2016 dated 12-08-2016 was revised due to non reflection of exact international price trend with the passage of time. The impugned Valuation Ruling was challenged by the aggrieved person before the Director General Customs Valuation under Section 25D of the Customs Act, 1969. The competent authority decided the matter and issued Order-in-Original No. 240/2016 dated 08-09-2016 after revisiting the customs values of category B items after revisiting of customs values by Director General in the above said Order in Revision. The

Directorate General needed to re-determine the customs value of the subject goods according to current international price trend under Section 25-A of the Customs Act, 1969. After detailed exercise, the Directorate General re-determined customs values of goods and issued Valuation Ruling No. 1448/2020 dated 02-06-2020. Being aggrieved with the impugned Valuation Ruling M/s. Waqas Mobiles, Karachi filed an appeal through their legal lawyer M/s Frank Law Associates, Karachi filed revision petition before the Director General.

Para-(1): Needs no comments being related to introduction of the applicant.

Para-(2) The Valuation Ruling No. 908/2016 dated 12-08-2016 was issued after detailed discussion with the stakeholders as well as Karachi Chamber of Commerce and Industry. Therefore, the Directorate General initiated exercise to determine the customs values in the light of current international price trend and to save the Government exchequer.

Para-(3): Needs no comments because it relates to previous Valuation Ruling No. 908/2016 dated 12-08-2016 and Order-in-Original No.240/2016 dated 08-09-2016 which are not in field now.

Para (4): Needs no comments because it relates to clearance Collectorate and previous Valuation Ruling No. 908/2016 dated 12-08-2016 and Order-in-Original No.240/2016 dated 08-09-2016 which are not in field now.

Para (5): It is stated that Valuation Ruling No. 1448/2020 dated 02-06-2020, issued according to current international price trend. The representative of clearance Collectorate has also desired to determined customs values upward after the passage of about four years.

Para (6): Needs no comments being not related to the Respondent.

Para (7): It is stated that Valuation Ruling No. 1448/2020 dated 02-06-2020, issued according to current international price trend and superseded Valuation Ruling No. 908/2016 dated 12-08-2016.

Para (8): Being related to methodology adapted by the department it is stated that Transaction value method provided in Section 25(1) was found inapplicable due to wide variation 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 variation 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 and finally adopted to issue the impugned valuation ruling according to under Section 25(7) of the Customs Act, 1969.

Para (9): Needs no comments being related not to the respondent.

Para (10): Being related to methodology adapted by the department it is stated that Transaction value method provided in Section 25(1) was found inapplicable due to wide variation 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 variation 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 and finally adopted to issue the impugned valuation ruling according to under Section 25(7) of the Customs Act, 1969.

Para (10): Needs no comments being not related to the respondent.

GROUNDS

- A. It is stated that Valuation Ruling No. 1448/2020 dated 02-06-2020 issued according to current international price trend. The representative of clearance Collectorate has also desired to determined customs values upward after the passage of about four years.
- B. It is stated that Valuation Ruling No. 1448/2020 dated 02-06-2020, which superseded Valuation Ruling No. 908/2016 dated 12-08-2016 and Order-in-Original No.240/2016 dated 08-09-2016, issued according to current international price trend. The representative of clearance Collectorate has also desired to determined customs values upward after the passage of about four years.
- C. It is stated that Valuation Ruling No. 1448/2020 dated 02-06-2020, was issued after detailed meeting with the stakeholders including Federation and Karachi Chamber of Commerce and Industry, Karachi which are the representative bodies of trade.
- D. Being related to methodology adapted by the department it is stated that Transaction value method provided in Section 25(1) was found inapplicable due to wide variation 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 variation 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 and finally adopted to issue the impugned valuation ruling according to under Section 25(7) of the Customs Act, 1969.
- E. Being related to methodology adapted by the department it is stated that Transaction value method provided in Section 25(1) was found inapplicable due to wide variation 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 variation 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 and finally adopted to issue the impugned valuation ruling according to under Section 25(7) of the Customs Act, 1969.
- F. Needs no comments being not related to the respondent.
- G. Being related to methodology adapted by the department it is stated that Transaction value method provided in Section 25(1) was found inapplicable due to wide variation 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 variation 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 and finally adopted to issue the impugned valuation ruling according to under Section 25(7) of the Customs Act, 1969.



- H. It is stated that under reference para related to earlier order of the legal forum and methodology which were explained in the foregoing paras.
- I. Needs no comments being related to further arguments at the time of hearing before the Honorable Director General.

PRAYER

It is submitted that the customs values of the subject goods were determined strictly keeping in view the valuation methods as envisaged under section 25 of the Customs Act, 1969. Consequently customs values were determined under Section 25(7) of the Customs Act, 1969. All the stakeholders including Federation as well as Karachi Chamber of Commerce and Industry were also invited to reach fair conclusion of customs values of mobile phone accessories. In view of above the appellate have no merit for consideration and is liable to be rejected.

ORDER

7. I have perused the record of the case and heard in detail the contending parties i.e. importers/associations and the department. Hearings were held on 26.06.2020 and 02.07.2020 at Lahore and Karachi respectively regarding the revision petitions pertaining to Valuation Ruling No. 1448/2020 dated 02.06.2020. During the hearing proceedings, the impugned Valuation Ruling was discussed thoroughly. In the course of hearing, the representative from M/s. Franklin Law Associates emphasized that the impugned items were highly smuggling prone goods. They claimed that owing to this valuation ruling, survival of importers was at stake as amount of duties and taxes have increased massively. They also contended that the market survey conducted by the department was not reflecting the actual price of the goods as the same was conducted from retailers whose profit margins are exorbitantly higher in this line of business. The market inquiry must have shown the price of the goods at the greatest aggregate quantity. This has caused massive rise in the values of mobile accessories/parts without any justification and in an arbitrary manner. They, therefore, pleaded that the market survey should be conducted from wholesale markets.

8. They further stressed 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 & 25-A of the Customs Act, 1969, and rules made thereunder, without reasonable and mandatory explanation as to how the previous methods could not be invoked. They further added that valuation ruling should have been a speaking order instead of being a stereotype order containing all details of the arguments as to why the sequential methods have not been adopted.

9. They further submitted that importers were neither given sufficient hearing opportunities, nor were they involved in the process of market inquiry, and its findings were not shared with them. In addition to that, the petitioners also contended that certain brands like "Audionic",

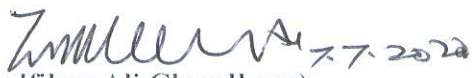


“Faster” and “Ronin” were placed in “Category A” without providing any cogent reasons, whereas in previous VR they were in “Category B” resulting into massive increase in their values.

10. The department, however, defended its position by stating various market surveys were conducted and samples of different accessories were purchased. The department also emphasized that online values were also checked different suppliers verifying department’s stand that the values determined vide impugned valuation ruling were in accordance with the provisions of the Customs Act and allied rules. With regards to brands, the department mentioned that as per previous Valuation Ruling No. 908/2016 dated 12-08-2016, contending brands mentioned above were neither included in Category-A nor in Category-B. This was the first time that these brands were included in Category-A because of their prices, quality of goods and their international availability.

11. Considering all discussions during the course of hearings, it transpires that sufficient hearing opportunities were not given to the importers as some of the importers had failed to participate in the meetings. The same has been mentioned in the para 4 of the impugned valuation ruling. In addition to that, categories of certain brands were changed from “Table B” to “Table A” without any cogent reasons thereof. It is pertinent to mention that the category of goods is very important since it can adversely impact some of the brands. In view of this, the valuation ruling No. 1448/2020, dated 02.06.2020, is *remanded back* to Director Valuation for re-determination of customs values of impugned goods after conducting a detailed market survey by different teams than the previous ones. Moreover, sufficient hearing opportunities to all stakeholders may also be provided in order to solicit their inputs/proposals/suggestions and the categories of the goods be formulated as per the market value of these brands. The fresh valuation ruling, considering all the factors elaborated above, may be issued in accordance with laid down procedures, not later than 31st July, 2020.




(Zulfikar Ali Chaudhary) 7.7.2020
Director General

Registered copy to:

M/s. Tau Corporation,
Office No. 17/18, Block # 3, Sahil Promenade Bolan Saji Karachi.

M/s. Murad Electronics, M/s. Waqas Mobiles, M/s. Sigma Enterprises, M/s. Interlink Communication (Private) Ltd., M/s. Muqaddas Trader, M/s Dani Technologies, M/s Wajahat Electronics, M/s Rahim Traders, M/s Alhaq, M/s Seven Star, M/s. Electronics Goods Importers Association Lahore, A.R. Mobiles Lahore, M/s Maxim International Lahore, M/s Digital Site, Lahore, M/s Huzaiifa International Lahore, M/s Khwaja International Lahore, M/s Muhammad Bashir and Sons Lahore, M/s Khursheed traders Lahore, M/s AT Alfa Lahore, M/s Moqadas Enterprises Lahore, M/s FBU Enterprises Lahore, M/s UB Traders Lahore, M/s Awan Services International Lahore, C/o Franklin Law Associates, 1st Floor, Plot No. 4C, Lane # 3, Al Murtaza Commercial, DHA Phase # VIII, Karachi

M/s.Shama Communication,
E/2/59, MT Khan Road, Sultanabad Karachi.

M/s. Rais Enterprises,
Office No. 306 Gul Court, M.A. Jinnah Road, Karachi.

M/s. Q Star Trading,
Ferozpur Walia Centre, Shop No. 18, M.A. Jinnah Road, Moulden market, Karachi.

M/s. M.F. Enterprise,
Room No. 301, Gul Court M.A. Jinnah Road, Karachi.

M/s. SKB Electronics,
Office No. 116, First Floor, Shahjehan Electronic Market, Abdullah Haroon Road, Karachi.

Shaikh and Madan Law Associates on behalf of M/s. Stone Enterprises,
Shop # 54, Hashmi Centre, Plot No. PR-2/18, Preedy Quarters, Saddar Karachi.

M/s. Gaba Enterprise,
House No. R-12, Rehman Villas, SUPARCO Road, Main University Road, Karachi.

M/s. Aniq Enterprises,
Office # 401, Gul Court, M.A. Jinnah Road, Karachi.

M/s. 7 Days Enterprises,
Plot No. 31/B/1 Office 401, Al Falah Chambers Karachi.

M/s. AR Industries,
Plot No. L-18, Block No. 22, Federal B Area Karachi.

M/s. Karamat Ali Awan,
President, Electronic Goods Importers Association, Lahore, 3rd Floor, Rehman Centre, Adjacent
Business Centre, 16-A, Hall Road, Lahore.

M/s. M/s. Khurshid Traders,
14/B, second Floor Business Centre, Hall Road, Lahore.

M/s. A.T-Alfa,
Business Center, 1st Floor, 16- Hall Road, Lahore.

M/s. Zafar Trader,
Kothalia Mansion, 2-Mcleod Road, Lahore.

M/s. Moqadas Enterprise,
20-B, Sh. Rehmat Market, 16-Hall Road, Lahore..

M/s Ali Traders,
Business Center, 1st Floor, 16- Hall Road, Lahore.

M/s AR Mobiles,
Suit No, 8/9, 3rd Floor, Osama Centre, Hall Road. Lahore.

M/s Huzaifa International,
Shop No. F2-F3, Osama Centre, Hall Road, Lahore.

M/s Jamshed Mobiles,
Shop No. 10, First floor, Centre 16- Hall Road, Lahore.

M/s UB-Traders,
Office No. 1, 5th Floor, Business Centre, 16-A Hall Road, Lahore

Copy to:

1. The Member (Customs Policy/Operations), FBR, Islamabad.
2. The Chief Collectors Customs Appraisalment (South)/Enforcement, Karachi/
(North) Islamabad / (Central) Lahore/ Quetta.
3. The Collector, MCC Appraisalment and Facilitation (East/West) /Port M. Bin Qasim/
Enforcement & Compliance, JIAP, Karachi.
4. The Collector, MCC Appraisalment & Facilitation/Enforcement & Compliance, AIIA,
Lahore/Quetta/Peshawar/Faisalabad/Sambrial/Multan/Hyderabad/Islamabad/Gilgit-
Baltistan/Gawadar.
5. The Directorate General of Intelligence & Investigation (Customs), Islamabad /Lahore
/Peshawar / Multan / Hyderabad / Gawadar / Quetta.
6. The Director, Customs Valuation, Karachi/Lahore.
7. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi for
Uploading in One Customs and WeBOC Database.
8. Deputy Director (Revision), Directorate General of Customs Valuation, Karachi.
9. All Deputy/Assistant Directors (Valuation).
10. Guard File.