



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

Determination of Customs values of Children Garments (Baby/ Baba) of Low End Brands under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1483 / 2020)

C.No. Misc/13/2007-IV/

15373

Dated: 06-11-2020

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, Customs values of Children Garments (Baby/Baba) of Low End Brands are determined as follows:-

2. **Background of the valuation issue:** Earlier Custom values of Children Garments (Baby/ Baba) of Low End Brands were determined vide Valuation Ruling No.1397/2019 dated 28.10.2019. After analysis of EDE data few variations were observed in Chinese export data viz-a-viz import data of Pakistani imports. Therefore, an exercise was undertaken by this Directorate General to re-determine the Customs values of subject items according to prevailing prices in the international markets.

3. **Stakeholders' Participation in Determination of Customs Values:** Meetings with the importers /stakeholders and trade bodies were held in this Directorate General on 09-09-2020 and 26-10-2020. 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:

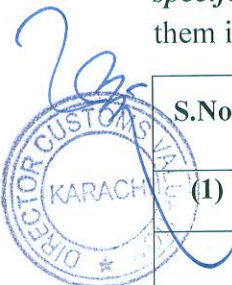
- i. Invoices of imports during last three months showing factual value.
- ii. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- iii. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- iv. Copies of Sales Tax Invoices issued during last four months showing the values of supplies (excluding duty and taxes) to substantiate their contention.

The participants submitted few documents which were examined. During meetings the variation in values of Chinese Exports viz-a-viz Pakistani imports as depicted in EDE data were also discussed in detail. Most of the participants contended that the Chinese exporters show inflated values in their shipping bills to get benefits of higher rebate on such exports. The meetings were also attended by representatives from All Pakistan Customs Agents Association & the Federation

of Pakistan Chambers of Commerce & Industry. The points of view of the participants were heard in detail and considered to arrive at custom values of the subject goods.

4. **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 (5) & (6) of Section 25 *ibid* were examined for applicability to the valuation issue in the instant case but due to wide variations in declarations, variety and specifications, these methods could not be relied upon exclusively. In line with the statutory sequential order of Section 25, this office conducted a number of inquiries from various markets to arrive at Customs values under sub-Section (7) of Section 25 of the Customs Act, 1969. Finally, reliance had to be made on sub-Section (7) of Section 25 of the Customs Act, 1969 to determine Customs values of Children Garments (Baby/Baba) of Low End Brands.

5. **Customs Values of Children Garments (Baby/ Baba) of Low End Brands *hereinafter specified*** shall be assessed to duty/taxes on the minimum Customs values mentioned against them in the Table below:



S.No.	Description of Goods	H.S Code	Proposed PCT for WeBOC	Origin	Custom Values US\$/pc
(1)	(2)	(3)	(4)	(5)	(6)
1.	Baby/ Baba Jhabla Set	6111.2000	6111.2000.1000	China/Vietnam	0.51
		6111.3000	6111.3000.1000	Indonesia/ Thailand/ Malaysia/ U.A.E	0.56
		6111.9000	6111.9000.1000		
		6209.2010	6209.2010.1000	Bangladesh/ Sri Lanka	0.53
		6209.3000	6209.3000.1000		
6209.9010	6209.9010.1000				
		6209.9090	6209.9090.1000	Other	0.61
2.	Baby/ Baba T-Shirt/ Shirt	6105.1000	6105.1000.1000	China/Vietnam	0.71
		6105.2000	6105.2000.1000	Indonesia/ Thailand/ Malaysia/ U.A.E	0.79
		6105.9000	6105.9000.1000		
		6106.1000	6106.1000.1000		
		6106.2000	6106.2000.1000	Bangladesh / Sri Lanka	0.75
		6106.9000	6106.9000.1000		
		6109.1000	6109.1000.1000		
		6109.9010	6109.9010.1000		
		6109.9090	6109.9090.1000	Other	0.86
		6205.3000	6205.3000.1000		
		6205.9090	6205.9090.1000		

