



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collector of Customs, Model Customs Collectorate, 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 Garments of Low End Brands
under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. 1484 / 2020)

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

15374

Dated: 06-11-2020

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

2. **Background of the valuation issue:** Earlier Custom Values of Garments of Low End Brands were determined vide Valuation Ruling No. 1398/2019 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 was 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 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.

They, however, failed to substantiate the said claim through documentary evidence. The meetings were also attended by representatives from All Pakistan Customs Agents Association & the Federation of Pakistan Chambers of Commerce & Industry. 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 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 values were true transactional value. Hence, requisite information under law was not available to arrive at 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 Garments of Low End Brands.

Customs Values of Garments 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 Value US\$/pc
(1)	(2)	(3)	(4)	(5)	(6)
1.	Men's Suit (2 Piece-Coat & Pant)	6101.2000	6101.2000.1000	China/Vietnam	18.60/suit
		6101.3000	6101.3000.1000	Indonesia/ Thailand/ Malaysia/ U.A.E	20.60/suit
		6101.9000	6101.9000.1000	Bangladesh/ Sri Lanka	19.66/suit
		6102.2000	6102.2000.1000		
		6102.3000	6102.3000.1000	Other	22.40/suit
		6102.9000	6102.9000.1000		
		6103.1000	6103.1000.1000		
		6103.2200	6103.2200.1000		
		6103.2300	6103.2300.1000		
		6103.2900	6103.2900.1000		
		6103.3200	6103.3200.1000		
		6103.3300	6103.3300.1000		
		6103.3900	6103.3900.1000		
		6104.1300	6104.1300.1000		
		6104.1900	6104.1900.1000		
		6104.2200	6104.2200.1000		
		6104.2300	6104.2300.1000		
		6104.2900	6104.2900.1000		
		6104.3200	6104.3200.1000		
		6104.3300	6104.3300.1000		
6104.3900	6104.3900.1000				
6201.1200	6201.1200.1000				

