



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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**Determination of Customs Values of LED TVs in SKD & CKD conditions and Parts thereof under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. 1494 / 2020)

C. No. Misc/07/2009-VII / 5462

Dated: 27-11-2020

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of LED TVs in SKD & CKD conditions and parts thereof are determined as follows: -

2. **Background of the valuation issue:** During the analysis of import data of LED TVs for determination of customs values afresh, it was observed that the volume of LED TVs (in CBU condition) has declined and most of the imports are in CKD/SKD conditions or in parts. Wide variations in values particularly of parts viz-a-viz CBU were also observed. Therefore, this Directorate General initiated an exercise for determination of Customs Values of the subject goods in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of values:** Meeting was scheduled and held on 28-10-2020. The meeting was attended by different stakeholders. The participants were requested to submit following documents before or during the course of meeting so that customs values could be determined: -

- i. Invoices of imports during last three months showing customs 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 the last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

During the meeting, stakeholders were of the view that the imports of LED TV sets in CBU condition have actually gone down and currently, LED TVs are being imported in SKD & CKD conditions. The issue of imports of TV parts at lower values was also brought in discussion during the meeting. Pakistan Electronics Manufacturers Association (PEMA) apprised that TV parts are either imported in CKD, SKD or individual form. A margin of 8% be allowed for SKD and 20% for CKD from the values of CBU on account of assembling costs. The values of each part in the light of proposals submitted by the association were discussed in detail.

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 because requisite information was not available as per law. The wide variation of values displayed in the import data as available on record also strengthened the aforementioned fact. Hence requisite information under law was not available to arrive at the 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. The same provided some reference values but could not be exclusively and solely relied upon. In line with the statutory sequential order of Section 25, this office conducted market inquiries under sub-Section (7) of section 25 of the Customs Act, 1969, however, this method of valuation could not be exclusively relied upon. Therefore, valuation method vide Section 25(8) was examined for valuation but the same also could not be applied as conversion cost from the constituent material and allied expenses, at the country of export were not available for manufacturing of the subject goods. Finally, clearance data, market information and international prices through internet were examined thoroughly and the information so gathered were utilized and analyzed for determination of customs values of the subject goods under Section 25 (9) of the Customs Act, 1969.

5. **Customs values for LED TVs in SKD & CKD conditions and parts thereof:-** LED TVs in SKD & CKD conditions and parts thereof *hereinafter* specified in **Annex-A (Table-I & Table-II)** shall be assessed to duty/ taxes on the minimum Customs values mentioned therein.

6. In cases where declared / transaction values are higher than the Customs values determined in this Ruling or higher evidential data is available of stipulated period of 90 days, the assessing officer shall apply those values in terms of Sub-Section 25(1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling.

7. **Validity of this Valuation Ruling:** The value determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is

