



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI

The Collectors of Customs, Model Customs Collectorates, Appraisalment & Facilitation (East / West) / Port Muhammad Bin Qasim / JIAP, Karachi (Appraisalment & Facilitation / Enforcement & Compliance), AIIA Lahore / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta (Appraisalment / Preventive) / Peshawar (Appraisalment & Facilitation/ Enforcement & Compliance) / Gawadar / Gilgit-Baltistan / Export (Karachi / Port Qasim)

DETERMINATION OF CUSTOMS VALUES OF ZIPPER (LOW END BRANDS) IN CUT TO SIZE AND ROLLS UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1524/2021)

C.No. Misc/07/2009-IX/ 247

Dated: 26-03-2021

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Zipper (Low end Brands) in Cut to Size and Rolls are determined as follows: -

2. **Background of the valuation issue:** Earlier the customs values of Zipper (Low end Brands) in Cut to Size and Rolls were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No.1141/2017 dated 27-04-2017. The Director General of Customs Valuation upheld the said Valuation Ruling vide Order-In-Revision No.412/2017, dated 21-11-2017, while deciding revision petitions filed thereon. The Honourable Customs Appellate Tribunal, Karachi set-aside the said Order-in-Revision and the Directorate General had filed SCRA before the Honourable High Court of Sindh at Karachi, which is still pending. Meanwhile, several representations were received from importers requesting that the international prices of the subject goods have decreased substantially and the values be re-determined. Therefore, an exercise was undertaken by the Directorate General of Customs Valuation to determine the Customs Values of subject goods in terms of Section 25-A of Customs Act, 1969.

3. **Stakeholders' participation in determination of values:** Meetings were scheduled and held on 19-10-2020 and 25-02-2021, which were 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 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 difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.*



4. During the meeting, the importers/ stakeholders stated that due to ongoing Corona Virus Pandemic, the prices of Petroleum products have shown continuous downward trend. This trend has affected the international prices of subject goods but due to the presence of almost four years old Valuation Ruling, the goods are being assessed as per values given therein resulting in huge losses to business community. The partial documents like commercial/export invoices etc. submitted by importers were examined and considered for the determination of customs values of subject goods. However, no importer submitted complete documents as mentioned in Para-(3).

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were duly applied in their sequential order to arrive at the Customs Values of subject goods. The transaction value method under 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 variations of values displayed in the import data as available on record also strengthened the aforementioned fact. Hence requisite information required under law was not available to arrive at the transaction value. Therefore, identical/ similar goods value methods as provided in Sub-Sections (5) and (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. Therefore, valuation method vide Sub-Section (8) of Section 25 of the Act ibid 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, after evaluating and analyzing clearance data, market information and international prices through internet, the Customs Values of under reference goods were determined in terms of Sub-Section (7) of Section 25 of Customs Act, 1969.



6. **Customs values for Zippers (Low end Brands) in Cut to Size and Rolls:** Zippers (Low end Brands) in Cut to Size and Rolls *hereinafter* specified shall be assessed to duty/ taxes on the minimum Custom values given against them in the Table below: -

Table-A (Zippers Low-end brands Cut-to-Size)

S. No	Specification	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Brass	9607.1100	9607.1100.1000	China/Vietnam/ Hong Kong	5.23
			9607.1100.1100	Indonesia/Thailand	5.39
			9607.1100.1200	Korea/ Taiwan	5.49
			9607.1100.1300	Other Origins	5.89
2.	Nylon/Polyester/ Plastic		9607.1100.1400	China/Vietnam/ Hong Kong	2.77
			9607.1100.1500	Indonesia/Thailand	3.14
			9607.1100.1600	Korea/ Taiwan	3.24
			9607.1100.1700	Other Origins	3.30

3.	Aluminium	9607.1100.1800	China/Vietnam/ Hong Kong	2.93
		9607.1100.1900	Indonesia/Thailand	3.30
		9607.1100.2000	Korea/ Taiwan	3.40
		9607.1100.2100	Other Origins	3.69

Table-B (Zippers Low-end brands in Rolls)

S. No	Specification of goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Brass	9607.1900	9607.1900.1000	China/Vietnam/ Hong Kong	4.75
			9607.1900.1100	Indonesia/Thailand	4.90
			9607.1900.1200	Korea/ Taiwan	5.00
			9607.1900.1300	Other Origins	5.35
2.	Nylon/Polyester/ Plastic		9607.1900.1400	China/Vietnam/ Hong Kong	2.52
			9607.1900.1500	Indonesia/Thailand	2.95
			9607.1900.1600	Korea/ Taiwan	2.85
			9607.1900.1700	Other Origins	3.00
3.	Aluminium		9607.1900.1800	China/Vietnam/ Hong Kong	2.66
			9607.1900.1900	Indonesia/Thailand	3.00
			9607.1900.2000	Korea/ Taiwan	3.10
			9607.1900.21	Other Origins	3.35



7. 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.

8. **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 rescinded or revised by the competent authority in terms of Sub-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

9. **Review of the value determined vide this Valuation Ruling:** A review petition may be filed against this Ruling, as provided under Section 25-D of the Customs Act, 1969, within 30 days from the date of issue, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in the Ruling for the given description of goods are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of Directorate General immediately. The Customs values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein. HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to assessing officers. The assessment shall be finalized in the correct classifications after fulfilling requisite formalities relating to importability or other certifications required thereon. In addition to this it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section of the Customs Act, 1969 or any other law in vogue therein.

11. *This ruling supersedes the Valuation Ruling No. 1141/2017 dated 27-04-2017.*


(Shafique Ahmed Latki)
Director

Copy for information to:

1. The Member (Customs, Operations), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisal & Facilitation), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement & Compliance), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Chief Collector of Customs, (Enforcement & Compliance), Custom House, Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, Audit, 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
10. The Director General, PCA& Internal Audit, Karachi.
11. The Director General, IOCO, Karachi
12. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
13. The Director, Directorate of Customs Valuation, Lahore.
14. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
15. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
16. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi
18. The Karachi Customs Agents Group, Bohri Road, Karachi.
19. The Webmaster, Federal Board of Revenue, Islamabad.