



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

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

**DETERMINATION OF CUSTOMS VALUES OF IRON & STEEL,
DRAWER LOCK, DOOR CLOSER, HINGES AND DRAWER SLIDER
(LOW-END BRANDS) UNDER SECTION 25A OF THE CUSTOMS ACT,
1969.**

(VALUATION RULING NO. ¹⁵⁵³ /2021)

No. Misc/05/2009-VI/

1772

Dated: 4-10-2021

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Iron & Steel Drawer Lock, Door Closer, Hinges and Drawer Slider (Low-End Brands) are determined as follows:

2. **Background of the valuation issue:** Earlier the customs values of Iron & Steel Drawer Lock, Door Closer, Hinges and Drawer Slider (Low-End Brands) were determined vide Valuation Ruling No. 1520/2021, dated 02-03-2021. Sixty two (62) petitions were filed for Revision under Section 25D of the Customs Act, 1969 and Director General vide Order-in-Revision No. 24/2021 dated 16-08-2021 remanded the case to the Director, Customs Valuation, Karachi, ordering the following:



“Hearing of the case was conducted on 11-08-2021. The petitioners claim that the values in the impugned Valuation Ruling are very high and not indicative of prices in the international market. The prices of raw material i.e. Iron & Steel, Aluminium, Brass, Glavanized Sheet etc, as published in LME have also not been taken into consideration and even if 50% manufacturing cost is applied to the price of raw material, the values would be far below the determined values.

The arguments of the petitioners carry weight. The case is remanded to the Director Customs Valuation for the re-determination of values keeping into view the cost of raw material and other services/ additions like freight, handling, etc. The values may be re-determined and notified within two weeks of this Order.”

3. **Stakeholders' participation in determination of values:** In compliance of afore-referred Order-in-Revision, meeting was held on 24-08-2021 with stakeholders. The stakeholders were requested to submit the following documents so that fair customs values could be determined:

- Invoices of imports during last three months showing factual value.
- 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. The meeting was attended by importers and stakeholders and their point of view was heard in detail to arrive at custom values of the subject goods. The stakeholders claimed that their declared values were true transactional values and may be considered. However, despite laps of considerable time, importers / stakeholders could not submit the requisite documents in support of their contention. Therefore, the matter could not be pended for unlimited period.

5. **Methods 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 value of subject goods. Transaction value method provided in Section 25 (1) of the Act *ibid* was found inapplicable because no substantial import documents were provided by the stakeholders to prove that their declared values were true transactional values. Moreover, different values were declared by different importers for same product according to different origins. Therefore, Identical and Similar goods valuation methods as provided in sub-section (5) & (6) of Section 25 *ibid* were examined for applicability to determine custom values of the subject goods. The same provided some reference values but could not be exclusively and solely relied upon due to variation in data. 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, but could yield no results as prices varied significantly according to selling point in the market. Therefore, valuation method vide section 25(8) was also examined for valuation of the subject goods keeping in view the LME prices of constituent raw material as published in LMB (taking strength from proviso to Section 25A inserted vide Finance Act, 2021), adding relevant conversion cost and prevalent freight. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, Customs Values were determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Iron & Steel Drawer Lock, Door Closer, Hinges and Drawer Slider (Low-End Brands) hereinafter specified** shall be assessed to duty / taxes at the following minimum Customs Values as given in Column (6) of the table below, but not lower than those given in Column (7) thereof:



Sr. No.	Description of goods	PCT	Proposed PCT for WEOC	Origin	Custom Values (C&F) USS/Pc	The overall value of assessed items should not be less than prices mentioned in this column USS/KG
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Iron & Steel Drawer Locks along with keys	8301.3000	8301.3000.1000	China	0.12	1.90
			8301.3000.1100	Other Origins	0.25	4.00

2.	Door Closer	8302.6000	8302.6000.1000	China	--	2.82
			8302.6000.1100	Other Origins	--	3.98
3.	Hinges	8302.1090	8302.1090.1000	China	--	1.50
			8302.1090.1100	Other Origins	--	2.28
4.	Drawer Slider	8304.4200	8304.4200.1000	China	--	1.08
			8304.4200.1100	Other Origins	--	1.62

Note: High-end brands like "Yale" etc. will be assessed by the clearance Collectorate under Section 25 of the Customs Act, 1969.

7. In cases where declared/ transaction values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Sub-Section (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 values 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-Section (4) of Section 25A of the Customs Act, 1969.

9. **Revision of the value determined with this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25D of the Customs Act, 1969, within 30 days from the date of issuance of this ruling, 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 this Valuation 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 this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the tables above of this Ruling. HS Codes are mentioned for illustrative purposes so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification 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 15 of the Customs Act, 1969 or any other law in vogue therein.

11. ***This ruling supersedes Valuation Ruling No.1520/2021 dated 02-03-2021.***

S. I. Qul
(Syed Fawad Ali Shah)
Director

Copy for information to: -

- 1) The Member Customs (Policy/Operations), F.B.R., Islamabad.