



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

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**The Collector of Customs**, Collectorate of Customs, (Appraisalment - West / Appraisalment - East/ Appraisalment - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad / (Appraisalment / Enforcement), Quetta / Gawadar / (Appraisalment / Enforcement / AIIA), Lahore/ Appraisalment, Faisalabad / Appraisalment, Sambrial (Sialkot)/ Enforcement, Multan / Islamabad/ Gilgit -Baltistan / (Appraisalment / Enforcement), Peshawar / Enforcement, Dera Ismail Khan/ Exports (Port Muhammad Bin Qasim/ Custom House), Karachi.

**DETERMINATION OF CUSTOMS VALUES OF STATIONERY ITEMS  
UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.**

No.Misc/06/2019-IX

**(VALUATION RULING NO 1598/2022)**

Dated: 04-02-2022



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Stationery Items are determined as follows:

**2. Background of the valuation issue:** Earlier the Customs values of Stationery Items were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No. 1407/2019 dated 02-11-2019 The Valuation Ruling was upheld vide Order-in-Revision No. 09/2020 dated 09-03-2020 under Section 25D of the Customs Act, 1969. Several representations from importers were received for revision of this valuation ruling in line with the current market prices and freight factor. In view of the foregoing, an exercise was under taken by the Directorate General of Customs Valuation to re-determine the customs values of subject goods in terms of Section 25A of the Customs Act, 1969.

**3. Stakeholders' participation in determination of Customs values:** Meeting was held on 25-10-2021, which was attended by various stakeholders including the representatives of trade bodies i.e. FPCC&I & KCC&I GCC&I, QCC&I, manufacturers, importers as well as representatives of Clearance Collectorates. All the participants were requested to submit following documents so that correct 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 M/s. Indus Pencils were of the view that customs values should be enhanced, whereas M/s Dollar Industries and others were against the enhancement of customs values recommending keeping them static. The importers advocated downward revision. Those in favour of enhancing the values argue that the last Valuation Ruling was issued two years ago and international prices have been increased, alongwith freight cost. Whereas, those in favour of keeping them static or downward revision argue that the existing values are mostly on higher side and fluctuation in raw material prices used in stationery items such as pencils, pens, markers, crayons, oil colours, writing inks etc. is marginal or meager, if at all. They further argue that most of the subject items are essential educational stationery and are consumed on daily basis by students and poor masses, therefore, it would not be appropriate to unduly jackup their cost by burdening them for unjustified reasons.

5. **Method adopted to determine Customs values: 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. The Transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable because no substantial 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. Identical/similar goods value methods provided in Sections 25 (5) & (6) ibid were examined for applicability to determine customs values of subject goods. The data provided some references; however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidence of qualities and quantities of commercial level etc. Information available was, hence, found inappropriate. In line with statutory sequential order of section 25, this office conducted market inquiries for using deductive value methods 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 the subject goods.



