GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI
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The Collectors of Customs, Collectorate of Customs, (Appraisement - West / Appraisement - East / Appraisement - Port Muhammad Bin Qasim / Enforcement JIAP / Export / Export PMBQ), Karachi / / Hyderabad / (Appraisement / Enforcement), Quetta / Gawadar / (Appraisement / Enforcement / AIIA), Lahore / Appraisement, Faisalabad / Appraisement Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Giligit - Baltistan / (Appraisement Enforcement), Peshawar / Enforcement, Dera Ismail Khan.

DETERMINATION OF CUSTOMS VALUES OF MUSICAL INSTRUMENTS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO.1644 /2022)

No.Misc/07/2022-IX /429 Dated: -29-04-2022

DIRECTOR CUSTOMS VALUATION KARACHI

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

2. **Background of the valuation issue:** It was brought to the notice of the Directorate General that value of Musical Instrument is being declared to customs at much lower values than their current international values in absence of Valuation Ruling in the field. Verification by this Directorate General reaffirmed this stance. Keeping in view this prevailing price of the subject goods, an exercise for determination of the Customs Values of prevailing price of the subject goods, an exercise for determination of the Customs Values of Musical Instruments in terms of under Section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings was scheduled on 02-04-2022 but no one appeared in the meeting. 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.

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5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. Transaction value method provided in Section 25 (1) of the Act ibid was found inapplicable because the required information under the law was not available. Identical and Similar goods valuation methods provided some reference values but could not be relied upon due to variation in data. Market enquiry as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969 was conducted but could yield no results as prices varied according to selling point in the market. Online values were also checked. Since the manufacturers' costs and raw material prices of producing the goods in question in the country of exportation were not available. Computed value method as provided in Section 25(8) could not be applied for valuation of the aforesaid goods. All the information so gathered was evaluated and, analyzed for the purpose of determination of customs values. Consequently, reliance was placed upon Sub-Section (9) of Section 25 of the Customs Act, 1969, for the determination of customs values.

6. **Customs values *hereinafter specified*** shall be assessed to duty / taxes at the following minimum Customs Values: -

S. No.	Description of goods	PCT	Proposed PCT for WEBOC	Origin	Customs Values (C&F) (Per Pc)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Electric Guitar with Amplifier	9202.1000	9202.1000.1000	All Origins	140.00
2.	IOA - Musical Guitar (Manual)	9202.9000	9202.9000.1000	All Origins	90.00
3.	Digital Portable Musical Keyboard	9202.1000	9202.1000.2000	All Origins	120.00
4.	Portable Digital Stage Piano	9202.1000	9202.1000.3000	All Origins	854.00
5.	Electronic Drum Kit	9206.0000	9206.0000.1000	All Origins	480.00
6.	Digital Grand Piano	9201.2000	9201.2000.1000	All Origins	8400.00
7.	15" Audio Center Home Speaker	8518.2100	8518.2100.1000	All Origins	700.00
8.	10" Audio Center Home Speaker	8518.2100	8518.2100.1100	All Origins	920.00
9.	8" Audio Center Home Speaker	8518.2100	8518.2100.1200	All Origins	600.00
10.	7" Audio Center Home Speaker	8518.2100	8518.2100.1300	All Origins	540.00
11.	6.5" Tower Speaker	8518.2100	8518.2100.1400	All Origins	480.00
12.	6.25" Audio Center Home Speaker	8518.2100	8518.2100.1500	All Origins	460.00
13.	5.25" Audio Center Home Speaker	8518.2100	8518.2100.1600	All Origins	360.00
14.	4.5" Audio Center Home Speaker	8518.2100	8518.2100.1700	All Origins	280.00
15.	2X4" Audio Surround Speakers	8518.2100	8518.2100.1800	All Origins	200.00
16.	3.5" Audio Speaker	8518.2100	8518.2100.1900	All Origins	140.00
17.	3" Audio Speaker	8518.2100	8518.2100.2000	All Origins	140.00
18.	2.75" Audio Speaker	8518.2100	8518.2100.2100	All Origins	92.00
19.	2.4" Audio Speaker	8518.2100	8518.2100.2200	All Origins	80.00
20.	1.5" Audio Speaker	8518.2100	8518.2100.2300	All Origins	60.00

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21.	Audio Subwoofer Maximum Power 3000-WATT Size: 18"	8518.2100	8518.2100.2400	All Origins	440.00

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-Sections (4) of Section 25A of the Customs Act, 1969.

9. **Revision of the value determined vide 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 issue 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.

(Syed Fawad Ali Shah)
Director

Copy for information to: -

1) The Member Customs (Policy/Operations), F.B.R., Islamabad.
2) The Director General, Customs Valuation, Custom House, Karachi.
3) The Chief Collector of Customs, South (Appraisement), Custom House, Karachi.

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4) The Chief Collector of Customs, South (Enforcement), 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), Custom House, Quetta.
8) The Director General, Intelligence and Investigation-FBR, Islamabad.
9) The Director General, PCA& Internal Audit, Karachi.
10) The Director General, IOCO, Karachi
11) The Director General, Transit Trade, Custom House Karachi
12) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
13) The Director, Transit Trade, Custom House Karachi
14) The Director, Directorate of Customs Valuation, Lahore.
15) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs &WEBOC database system.
16) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
17) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta &Peshawar.
18) The Karachi Customs Agents Group, Bohri Road, Karachi.
19) The Webmaster, Federal Board of Revenue, Islamabad.
20) Guard File.

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