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

DETERMINATION OF CUSTOMS VALUE OF ARTIFICIAL IMITATION JEWELLERY UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO 1686 /2022)

No.Misc/14/2010-V/736.

Dated: 29-07-2022

DIRECTOR CUSTOMS KARACHI

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs value of Artificial Imitation Jewellery are determined as follows:

2. **Background of the valuation issue:** Earlier, the customs value of Artificial Jewellery was determined under section 25A of the Customs Act, 1969, vide Valuation Ruling No. 1509/2021 dated 27-01-2021. A representation was received in this Directorate that the values of various types of artificial jewelry determined vide afore-mentioned ruling were on higher side and may be rationalized according to the prevailing market prices. Accordingly, an exercise was initiated for fresh determination of customs value of subject goods under Section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings with all stakeholders, trade bodies including representatives of clearance Collectorates were held in this Directorate General on 18.06.2022 and 17.05.2022. The importers/stakeholders were requested to submit their proposals/suggestions as well as following documents before or during the course of stakeholders' meeting so that Customs value could be determined:

i. Invoices of import during last three months showing factual values
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. The meetings were attended by representatives from M/s GA Jahangir & Associates authorized by various importers and stakeholders. The points of view were heard in detail to

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arrive at customs value of subject goods. The importers claimed that the values are on higher side and may be rationalized according to prevailing market prices. All the stakeholders were requested to provide supportive documents in their contentions. However, no documents were submitted to verify their contention.

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. 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 the same product according to different origins/specifications. 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 but due to wide variations in declarations, varieties and specifications, the same could not be relied upon exclusively. In line with statutory sequential order of section 25, this office conducted various market inquiries 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 custom value of Artificial Jewellery.

6. **Customs value for Artificial Jewellery** hereinafter specified shall be assessed to duty/taxes on the following minimum customs value given against them in the Table below:-

S.No.	Description of Goods	PCT Code	Proposed PCT code for WeBOC	Origin	Custom Value (C&F) US$/ Kg
(1)	(2)	(3)		(5)	(6)
1	Electroplated white/ yellow, without stones/ beads	7117.1900 7117.9000	7117.1900.1000 7117.9000.1000	China	4.05
			7117.1900.1100 7117.9000.1100	Other Origin	5.62
2	Electroplated white/ yellow, with plastic stones/ beads	7117.1900 7117.9000	7117.1900.1200 7117.9000.1200	China	4.62
			7117.1900.1300 7117.9000.1300	Other Origin	6.93
3	Fancy Electroplated white/ yellow, with crystal stones/ beads	7117.1900 7117.9000	7117.1900.1400 7117.9000.1400	China	13.76
			7117.1900.1500 7117.9000.1500	Other Origin	30.58
Note: The values specified above shall not be applicable on branded or designer jewellery. The same will be assessed under Section 25 of the Customs Act, 1969.					

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7. The assessing officers shall take into account first proviso to subsection 2 of section 25A of the Customs Act, 1969 which states "*provided that where the value declared in a goods declaration, filed under section 79 or section 131 or mentioned in the invoice retrieved from the consignment, as the case may be, is higher than the value determined under subsection (1), such higher values shall be the customs values*". In case of consignment imported by air, the assessing officers shall take into account the difference between air freight and sea freight while applying the custom values determined in this ruling.

8. **Validity of 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, read with rule 107 (a), Chapter IX, of the Customs Rules, 2001.

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, 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 Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the above table of this Ruling. PCT Codes are mentioned for illustrative purpose 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.

11. ***This ruling supersedes Valuation Ruling No. 1509/2021 dated 27-01-2021.***

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(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, Appraisement (South) Custom House, Karachi.
4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
5) The Chief Collector of Customs, Appraisement (Central), Custom House, Lahore.
6) The Chief Collector of Customs, Enforcement (Central), Custom House, Lahore.
7) The Chief Collector of Customs (North), Custom House, Islamabad.
8) The Chief Collector of Customs Balochistan, Custom House, Quetta.
9) The Chief Collector of Customs Khyber Pakhtunkhwa, Custom House, Peshawar.
10) The Director General, Intelligence and Investigation-FBR, Islamabad.
11) The Director General, PCA& Internal Audit, Karachi.
12) The Director General, IOCO, Karachi
13) The Director General, Transit Trade, Custom House Karachi

14) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
15) The Director, Transit Trade, Custom House Karachi
16) The Director, Directorate of Customs Valuation, Lahore.
17) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs &WEBOC database system.
18) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
19) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta &Peshawar.
20) The Karachi Customs Agents Group, Bohri Road, Karachi.
21) The Webmaster, Federal Board of Revenue, Islamabad.
22) Guard File.

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