



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

The Collectors of Customs, Collectorate of Customs, (Appraisement - East / West/ Port Muhammad Bin Qasim / Enforcement/ JIAP), Karachi/ Hyderabad (Appraisement/ Enforcement), Quetta/ Gawadar/ (Appraisement/ Enforcement/ AIIA) /Lahore/ Appraisement, Faisalabad/ Appraisement, Smbrial (Sialkot)/ Enforcement, Multan/ Islamabad/ Gilgit-Baltistan / Export ((Appraisement/ Enforcement), Peshawar/ Enforcement, Dera Ismail Khan

**DETERMINATION OF CUSTOMS VALUE OF SUITCASES (SOFT & HARD) OF
LOW END BRANDS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO/1688/2022)

C. No.Misc/5/2011-III/ **1872**

Dated: **05-08-2022**



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the custom value of Suitcases (Soft & Hard) of low end brands are determined as follows:

2. **Background of the valuation issue:** Earlier the customs values of Suitcases (Soft & Hard) of low end brands were determined under section 25A of the Customs Act, 1969 vide Valuation Ruling No.1637/2022 dated 26-04-2022. The Director General Customs Valuation set aside the said ruling vide Order in Revision No.58/2022 dated 28-06-2022 under section 25D of the Act, with the direction to determine afresh customs values of the subject goods. In view of the foregoing, an exercise was under taken by this Directorate to re-determine the customs values of subject goods in terms of Section 25A of the Act.

3. **Stakeholders' participation in determination of Customs values:** Consultation meeting with the stakeholders, including representatives of importers and clearance Collectorates were held on 28.07.2022. 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.

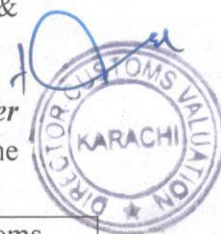
4. The importers contested that the values determined in the earlier VR No. 1637/2022 dated 26.04.2022 were on the higher side and may be rationalized based on market inquiries from domestic and international sources including prices of constituent materials. The stakeholders points of view were considered in detail to arrive at custom values of subject

goods. Values of the goods hence determined, keeping in view the element of freight, import prices of raw materials and the values prevailing in the local and international market.

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 Act, 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 using deductive value methods under sub-section (7) of Section 25 of the Act. Wide ranges of prices were observed for some items depending upon variety/quality/ quantity brand etc., and location of market. Hence this method of valuation could not be relied upon solely due to aforesaid reasons. Valuation method vide Section 25(8) of the Act, was examined for valuation but the same also could not be applied due to non availability of conversion and processing cost of exporting country. Finally, clearance data, raw material prices, international prices through internet were examined thoroughly and the information so gathered were utilized and analyzed for determination of Custom Values of Suitcases (Soft & Hard) of low end brands under Section 25(9) of the Customs Act, 1969.

6. Customs values for Suitcases (Soft & Hard) of low end brands - hereinafter specified shall be assessed to duty/taxes on the Customs values mentioned against them in the Table below:

S. No	Description	Specification of goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$/Set
1.	Suitcase Soft Type	Five Pcs 20" 24" 28" 30" and 32"	4202.1220	4202.1220.1000	China	55
				4202.1220.1100	Other Origins	67
		Four pcs Pcs 24" 28" 30" 32		4202.1220.1200	China	48
				4202.1220.1300	Other Origins	55
		Three pcs Pcs 24" 28" 30"		4202.1220.1400	China	40
				4202.1220.1500	Other Origins	43
2.	Suitcase Hard Type Low end brand	Five Pcs 20" 24" 28" 30" and 32"		4202.1220.1600	China	65
				4202.1220.1700	Other Origins	72
		Four pcs Pcs 24" 28" 30" 32		4202.1220.1700	China	52
					Other Origins	56
		Three pcs Pcs 24" 28" 30"		4202.1220.1800	China	41
					Other Origins	48



3	<p>(i) Value regarding variation in the sizes in column 3 above shall be determined on Pro-rata basis</p> <p>(ii) This Valuation Ruling is only for low end brand and not applicable for branded goods like , Vuitton, Carlton, Samsonite, American Tourister, Summit, Sonada, Logel, Pacific, Swiss, Swiss Gear, LYX, Delsey, Royal, and other similar brands.</p> <p>(iii) Upper and Lower panels or Soft Types suitcases imported separately shall not be assessed at less than US\$ 4.5/Kg</p> <p>(iv) Upper and lower panels of Hard Types suitcases imported separately shall not be assessed at less than US\$ 5/Kg</p> <p>(v) Suitcase in SKD condition shall be assessed at 20% less than vales specified in Column No.,7.</p>
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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, read with section 25A(2) *ibid*. In case of consignment imported by air, the assessing officer shall take into account the difference between air freight and sea freight while applying the customs values determined in this Ruling.

8. **Validity of Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs values 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 25-A of the Customs Act, 1969, read with rule 107(a), sub-chapter-I, 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. HS 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 therein.

11. *This ruling supersedes the Valuation Ruling No. 1637/2022 dated 26-04-2022.*


(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, Appraisalment (South) Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisalment (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.