

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 / Gilgit - Baltistan / (Appraisement Enforcement), Peshawar / Enforcement, Dera Ismail Khan.

**DETERMINATION OF CUSTOMS VALUE 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 <sup>1692</sup>/2022)**

No.Misc/05/2009-VI/911

Dated: 25-08-2022



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs value of iron & steel drawer lock, door closers, hinges and drawer slider (Low end Brands) determined as follows:

2. **Background of the valuation issue:** Earlier, the customs value of iron & steel drawer lock, door closers, hinges and drawer slider (Unbranded and Low-end Brands) was determined vide Valuation Ruling No1604/2022 dated 28-02-2022. Representations were received from importers of subject goods that international prices of raw material of the goods have crashed and nosedived during the last 90 days, therefore, an exercise was initiated to re-determine afresh the customs values of the subject goods.
3. **Stakeholders' participation in determination of Customs values:** Meeting was held on 29-07-2022 with all stakeholders. The participants were requested to submit the following documents so that correct customs value 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, the importers submitted that the prices of CRC (Raw Material) of the subject commodities had fallen from US\$ 950 to US\$ 650 as of the time of the issuance of this Ruling as compared to the prevalent rate during the last Valuation Ruling. Hence the importers were of the view that the prices of commodities in the VR should be rationalized, as further dip in the international prices was being expected. On the other hand, the sole manufacturer of these items was absent during this hearing. Nevertheless, they submitted a cost sheet accompanied by a letter asserting that internationally prices of raw materials had



actually increased, to which it was observed that according to London Metal Bulletin (LMB) the prices of metals as traded in on the London Metal Exchange (LME) had been continuously showing declining trend since May 2022. The Manufacturer also requested insertion and determination of values of stainless-steel Drawer Sliders. His work sheet had also provided his import cost of stainless-steel raw material at US\$1.90/KG, which was examined under the relevant provisions of law and allied facts on record.

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 reliable results as prices varied according to selling point in the market. The valuation method vide section 25(8) was also examined for valuation of the subject goods keeping in view the LME prices of raw material published in LMB (taking strength of 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. The relevant material used in the manufacture of the final product was also re-considered. 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 for Iron & Steel Drawer Lock, Door Closer, Hinges and Drawer Slider (Unbranded and Low-end Brands) *hereinafter specified*** shall be assessed to duty taxes at the following minimum Customs Values: -

Sr. #	Description of goods	PCT CODE	Proposed PCT for WBOC	Origin	Customs Values (C&F) US\$/PC	The overall value of assessed item should not be less than prices mentioned in this column US\$/kg
1	2	3	4	5	6	7
1	Iron & Steel Drawer Locks along with Keys	8301.3000	8301.3000.1000	China	0.12	1.82
			8301.3000.1100	Other Origins	0.25	2.54
2	Door Closer	8302.6000	8302.6000.1000	China	--	2.74
			8302.6000.1100	Other Origins	--	3.83





3	Door Floor Spring/Door Hinges	8302.1090 8302.4900 8302.6000	8302.1090.1000 8302.4900.1000 8302.6000.1200	China	--	1.75
			8302.1090.1100 8302.4900.1100 8302.6000.1300	Other Origins	--	2.45
4	Hinges (Non floor Type)	8302.1090 8302.4900 8302.6000	8302.1090.1200 8302.4900.1200	China	--	1.45
			8302.1090.1300 8302.4900.1300	Other Origins	--	2.03
5	(Drawer Slider Iron & Steel (Roller Slide Type)	8302.4200	8302.4200.1000	China	--	1.20
			8302.4200.1100	Other Origins	--	1.68
6	Drawer Slider Iron & Steel (Ball Bearing Type)	8302.4200	8302.4200.1200	China	--	1.28
			8302.4200.1300	Other Origins	--	1.79
7	Drawer Slider Stainless-Steel (Roller Slide Type)	8302.4200	8302.4200.1400	China	--	2.30
			8302.4200.1500	Other Origins	--	3.22
8	Drawer Slider Stainless-Steel (Ball Bearing Type)	8302.4200	8302.4200.1600	China	--	2.40
			8302.4200.1700	Other Origins	--	3.36



**Note:** High-end Brands like “Yale, Armac Martin, Olympus” etc. will be assessed by the clearance collectorates under Section 25 of the Customs Act, 1969.

7. The assessing officers shall take into account first proviso to the sub-section 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 consignment, as the case maybe, is higher than the value determined under sub-section (1), such higher value shall be the customs value*”. 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, read with Rule 107(a), Chapter IX, of the Customs Rules, 2001.

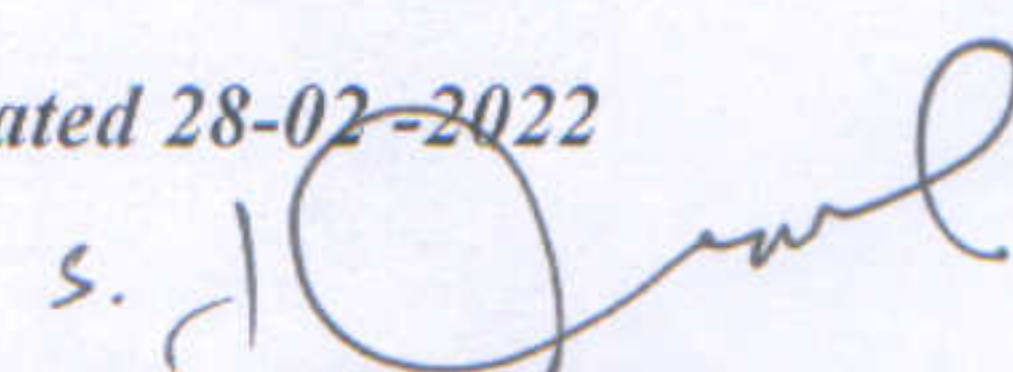
9. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25d of the Customs Act, 1969, within 30 days from the date of issue of this ruling, before the Director General, Directorate General of Customs Valuation. 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. PCT 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. 1604/2022 dated 28-02-2022*

  
(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, South (Appraisement), Custom House, Karachi.
- 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.