GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS (VALUATION)
7TH FLOOR, CUSTOM HOUSE, KARACHI

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The Collectors of Customs, Collectorates 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 VALUES OF SUITCASES (SOFT & HARD TYPES) OF ARTIFICIAL LEATHER (LOW END BRANDS/UN-BRANDED) UNDER SECTION 25A OF THE CUSTOMS ACT,1969

(VALUATION RULING NO. 1698 / 2022)

No. Misc/05/2011-III/1255. Dated: 05-12- 2022

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs Values of Suitcases Soft & Hard Types) of Artificial Leather (low end Brands/Un-Branded) are determined as follows:

Background of the valuation issue: Earlier, the Customs values of Suitcases (Soft & Hard Types) of Artificial Leather (low end Brands/Un-Branded) were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1688/2022 dated 05-08-2022 which was set-aside by the Director General of Customs Valuation vide O-in-R No. 84/2022 dated 05.10.2022 with directions to re-determine the Customs values of Suitcases (Soft & Hard Types) of Artificial Leather (low end Brands/Un-Branded). Therefore, an exercise has been undertaken by this Directorate to determine the same.

2. **Stakeholders' participation in determination of Customs values:** Meeting was convened on 25.10.2022 which was attended by all the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meeting.

3. **Analysis / Exercise done to determine Customs Values**: Ninety (90) days data have been retrieved and same has been scrutinized. Subsequently, market inquiry has been conducted and examined in the light of this Directorate's Office Order No. 17/2014 dated 19.03.2014 and in terms of Section 25 (7) read with Section 25 (9) of the Customs Act, 1969.

4. **Method (s) adopted to determine Customs values:** Valuation methods specified in section 25 of the Customs Act, 1969, were duly applied in their sequential order to arrive at the 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 due to wide variation of values in import data. Moreover, the requisite information under law was not available to arrive at correct/ transaction value. Therefore, identical/similar goods value methods provided in Section 25(5) (6) ibid were examined for applicability to determine customs value of subject goods. The data provided some reference; however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidences of quantities and qualities, variation in declaration, variety and specifications. Information available was, hence, found incomplete. In line with statutory sequential order of Section 25 of the Customs Act, 1969, this Directorate conducted market survey under sub-Section (7), read with Section 25 (9), of Section 25 of the Customs Act, 1969. Various Wholesale and Retail markets were visited to observe the actual prices of Suitcases (Soft & Hard Types) of Artificial Leather (low end Brands/Un-Branded). On the basis of available data / information collected and exercise conducted the values of Suitcases (Soft & Hard Types) of Artificial Leather (low end Brands/Un-Branded) have been determined under sub-Section (7), read with Section 25 (9), of Section 25 of the Customs Act, 1969.

5. **Customs values of Suitcases (Soft & Hard Types) of Artificial Leather (Low end Brands/Un-Branded):** Suitcases (Soft & Hard Types) of Artificial Leather (low end Brands/Un-Branded), hereinafter specified, shall be assessed to duty / taxes at the Customs values as per the following table:

Sr. No	Description	Specification of goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US$/Set
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Suitcase Soft Type (Low end brands/un-branded)	Five Pcs 20", 24", 28", 30" and 32"	4202.1220	4202.1220.1000	China	54
				4202.1220.1100	Other Origins	65
		Four Pcs 24", 28", 30" and 32"		4202.1220.1200	China	46
				4202.1220.1300	Other Origins	53
		Three Pcs 24", 28" and 30"		4202.1220.1400	China	38
				4202.1220.1500	Other Origins	41
2.	Suitcase Hard Type (Low end brands/un-branded)	Five Pcs 20", 24", 28", 30" and 32"		4202.1220.1600	China	63
				4202.1220.1700	Other Origins	70
		Four Pcs 24", 28", 30" and 32"		4202.1220.1700	China	50
					Other Origins	54
		Three Pcs 24", 28" and 30"		4202.1220.1800	China	40
					Other Origins	46
3	(i) Value regarding variation in the sizes in column 3 above shall be determined on Pro-rata basis (ii) This Valuation Ruling is only for low end brands/un-branded and not applicable for branded goods like, Vuitton, Carlton, Samsonite, American Tourister, Summit, Sonada, Logel,					

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	(iii) Upper and Lower panels of Soft Types suitcases imported separately shall not be assessed at less than US$ 4.5/Kg (iv) Upper and lower panels of Hard Types suitcases imported separately shall not be assessed at less than US$ 5/Kg (v) Suitcases in SKD condition shall be assessed at 10% less than values specified in Column No.7.

6. In cases, where declared 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 difference between air freight and sea freight while applying the Customs values in this Ruling.

7. **Validity of this Valuation Ruling:** This Ruling, containing the Customs Values for assessment of subject imported goods, shall be applicable until and unless the same are rescinded or revised by the competent authority in terms of sub-Section (4) of Section 25A of the Customs Act, 1969.

8. **Revision of the values determined vide this Valuation Ruling:** If aggrieved, 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 its issuance, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

9. The Collectors of Customs may kindly ensure that the values given in the Valuation Ruling, for the given description of goods, are applied by the concerning assessing officers / officials without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. The Customs values determined in the ruling are for the descriptions and specifications as mentioned in this Ruling. HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessments shall be finalized on the basis of correct classifications after fulfilling all formalities related to importability or other certifications required thereon.

(Fayaz Rasool Maken)
Director

Copy for information to:

1. The Member Customs (Operations), Federal Board of Revenue, 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

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

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