

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

File No. DG(V)Val.Rev/69/III/2022 /275

Dated /3th March, 2023

**Order in Revision No. 10 /2023 under Section 25D of the Customs Act, 1969,
against Valuation Ruling No. 1698/2022 Dated 05-12-2022**

- i. This copy is granted free of charge for the private use of the person to whom it is issued.
- ii. An appeal against this Order-in-Revision lies to the Appellate Tribunal, Customs having jurisdiction, under Section 194-A of the Customs Act, 1969, within stipulated period as prescribed under the law. An appeal should bear a court fee stamp of Rs. 1000/- (Rupees One thousand) only as prescribed under schedule-II item 22 of the Court Fee Act, 1870 and must be accompanied by a copy of this Order.
- iii. An extra copy of appeal, if filed, should simultaneously be sent to this office for information and record.
- iv. If an appeal is filed, the appellant should state whether he desires to be heard in person or through an advocate.

M/s. Bismillah Enterprises & Others

VERSUS

PETITIONERS

Director, Customs Valuation, Karachi

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RESPONDENT

Date(s) of hearing

02-03-2023

For the Petitioners

Mr. Osama
Mr. Sohail
Mr. Sheeraz Butt

For the Respondent

Mr. Abdul Jabbar Ch, Valuation Officer



This revision petition was filed under Section 25D of the Customs Act, 1969, against Customs values determined vide Valuation Ruling No. 1698/2022 dated 05.12.2022 issued under Section 25A of the Customs Act, 1969, inter alia, on the following grounds:

"2. Please refer the above noted subject, we are the regular Importer of Suitcases (Soft & Hard Types & Suitcase Accessories. Previously the said item Suit Cases were assessable in accordance with the Valuation Ruling No. 915/2016 dated: 25-08-2016 & Bag Accessories in accordance with the data, after that the Valuation Departments had issued Valuation Ruling No. 1637 & 1688, both of which were set-side as they were issued on very high sides, now The Valuation Department issued the new Valuation Ruling No. 1698/2022 for Suit Cases & also mentioned the value for Upper/Lower Panels & SKD condition which is on too much higher side also & not acceptable by us.

3. First of all, it is stated that previously the bags in accordance with the Valuation Ruling No.915/2016 but now the Directorate of Custom Valuation issued the valuation ruling of suit cases & for Upper/Lower panels & the values mentioned in the impugned Valuation Ruling is irrelevant & does not reflects according to the market price as the international market purchasing of those items is far low from the prices mentioned in the above valuation ruling.

4. It is pertinent to mention here that the Directorate of Valuation has called just 01 hearing of the importers/stakeholders, we didn't receive any hearing notice from the Directorate of Valuation in this regard, only 01 importer has attended the hearing held for the issuance of the valuation ruling. It is pertinent to mentioned that the importer appeared before the Director Valuation is a local manufacturer which manufacture the upper/lower panels of the suit cases here in Pakistan. The local manufacturer appeared before the Director Valuation has misguided the Valuation Department & lead the department to issue the value on too much higher side which is in his own benefit.

5. It is therefore, humbly prayed that this Revisional authority may be pleased to allow the review application by declaring/order that The Valuation Ruling No. 1698/2022 have been issued on forced construction of Section 25 of the Customs Act, 1969, hence ab-initio, null and void and is liable to be withdrawn forthwith. The Transactional/declared value of the applicant to the imported goods is deemed to be fair and answer to the expressions of Section 25(1) of the Customs Act, 1969, in Rule 113 of Chapter of the Customs Rules 2001. Any other reliefs which this Honorable Revisional Authority may deem fit and proper in the circumstances of the case may also be granted.

6. For submission of this letter & to attend the hearing & meeting on our behalf we hereby authorized Mr. Asif Khan. We further request you to please issue a letter to the concern group for release of the consignment with provisional assessment under Section 81 of Custom Act, 1969."

2. The respondents were asked to furnish comments to the arguments submitted by the petitioners in the case. Para-wise comments on the petition are given as under:-

"FACTS OF THE CASE"

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 was undertaken by this Directorate to determine the same.

Meeting was convened on 25.10.2022 which was attended by stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meeting.

Finally, 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 for uniform assessment across the country vide Valuation Ruling No.1698/ 2022 dated 05-12-2022 accordingly.

PARAWISE COMMENTS

Para-(1) Need no comments being introduction of the petitioners and their imports.

Para-(2) Need no comments being introduction of the respondent regarding powers and working strategy relating to determination of customs values.

Para-(3) Not Agreed. It is submitted that it is not correct that customs values in the new Valuation Ruling are irrelevant and do not reflect market prices. The values have been determined under sub-Section (7), read with Section 25 (9), of Section 25 of the Customs Act, 1969 on the basis of available data/information collected and market inquiry conducted the values of Suitcases (Soft & Hard Types) of Artificial

Leather (low-end Brands/Un-Branded).

Para-(4)

Not Agreed. It is submitted that all the relevant stakeholders i-e Importers and manufacturers were invited to the said meeting vide this office letter No.Misc/05/2011-III/1032 dated 12-10-2022. The same was attended by the importers and manufacturers. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meeting.

It is further submitted that the impugned Valuation Ruling was issued after considering the representation of the petitioners and viewpoint of all the stakeholders. The record of the all previous Valuation Rulings and arguments put forward by the petitioners and Respondents were considered during process of issuance of Valuation Ruling. The petitioners were asked to furnish relevant documents so as to enable that forum to verify the truth and accuracy of their contentions but no corroboratory import documents were provided by any of them. No evidence was placed on record to indicate any deviation from the existing laws / provisions as envisaged in Section 25 readwith Section 25-A of the Customs Act, 1969. The petitioners could not substantiate their claim with supporting documents on record. No supporting documents / evidences have been provided by the Appellants to reject department's views and in support of their contention. Further, the Respondent has properly followed all valuation methods sequentially by rejecting and giving reasons of rejection thereof. As such customs values determined in terms of Sub-Section (9) of Section 25 of the Customs Act, 1969, after analyzing and evaluating whole the information so gathered are lawfully justified under the rules.

Para-(5)

Denied. It is submitted that the Petitioners have simply claimed for the acceptance of their declaration but did not submit any tangible documents in support to justify their declarations disclosing full and accurate details relating to the value of the imported goods as per Para-108 of Customs Rules, 2001. As such the transaction value cannot be accepted in absence of any relevant import evidences and documents. However, the impugned Valuation Ruling No.1698/2022, dated 05-12-2022 has lawfully and justifiably been issued in terms of Section 25A of the Customs Act, 1969, for uniform assessment all over the country. It is respectfully submitted that it is not mandatory for Customs to accept each and every transactional value. As such, the transaction value cannot be accepted in absence of any relevant import evidences and import documents etc. in terms of Para-108 of the Customs Rules, 2001.



Para-(6)

Needs no comments being the authorization of the representatives on behalf of the petitioners.

PRAYER

It is respectfully submitted that the customs values of the subject goods were determined as per valuation methods laid down in Section 25 of the Customs Act, 1969 vide Valuation Ruling No.1698/2022 dated 05-12-2022. The Respondent has acted lawfully and the Valuation Ruling No.16968/2022, dated 05-12-2022 has correctly and justifiably been issued in terms of Section 25-A of the Customs Act, 1969.


In view of above, it is respectfully prayed that the said Valuation Ruling may be allowed to hold field for assessment being lawful and valid. Further, transaction value cannot be accepted in absence of any tangible import documents. As such no relief is warranted to be given to the petitioners and assessments are liable to be made as per said Valuation Ruling and

under reference petition being not maintainable is liable to be dismissed and rejected accordingly."

ORDER

3. Hearing in this case was held on 02-03-2023 on which date the petitioners and the respondent department were heard in detail. The main contention of the petitioners is that the respondent issued the impugned Valuation Ruling for Suitcases & for Upper/Lower panels without any consultation of the stakeholders. Moreover, the values mentioned in the impugned Valuation Ruling are irrelevant and do not reflect the prevailing international market prices. It was further contended that only a single hearing was held with the importers/stakeholders and even then, they didn't receive any hearing notice from the department. The transaction/declared values of the imported goods by the petitioners are fair in terms of Section 25(1) of the Customs Act, 1969 and in Rule 113 of Chapter-IX of the Customs Rules, 2001 (SRO 450(I)/2001 dated 18-06-2001.

4. On the other hand, the departmental representative (DR) explained that 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 competent authority vide Order-in-Revision No.84/2022 dated 05.10.2022 with the directions to re-determine the Customs values of Suitcases (Soft & Hard Types) of Artificial Leather (low-end brands/un-branded). Therefore, an exercise was undertaken by this office to determine the same. The meeting was convened on 25.10.2022 and was attended by stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the meeting. Finally, 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 for uniform assessment across the country vide impugned Valuation Ruling No.1698/ 2022 dated 05-12-2022.



Following the petitioners' arguments and scrutiny of the case record, it is apparent that with a view to satisfy the precept of Natural Justice, the department sought to consult the relevant stakeholders and the meeting was held on 25-10-2022 while issuing the impugned Valuation Ruling. The DR further stated that ninety (90) days' import clearance data was examined and after that market inquiry was also conducted and finally rationalized the Customs values of under reference goods were determined in terms of sub-Section (7) read with sub-Section (9) of Section 25 of the Customs Act, 1969 for uniform assessment across the country vide impugned VR within the legal domain of the ibid Act. Hence, I, therefore, find no reason to interfere with the impugned Valuation Ruling No.1698/2022 dated 05-12-2022. The petitions being devoid of any merit and legal contents are hereby rejected accordingly.

6. Being identical on facts and law point, this order shall apply mutatis mutandis, to the following (06) revision petitions:

1. M/s. Diamond Leather Craft

2. M/s. Ahmed Luggage Industries,
3. M/s. Al-Hatim Impex,
4. M/s. Ahmed Enterprises,
5. M/s. Rayyan Traders,
6. M/s. Shayan Traders.


(Gul Rehman)
Director General

Registered copy to:

S.No.	Petitioners
1	M/s. Bismillah Enterprises, Shop No. 01, Shafi Center, Shahalam Market, Lahore. Cell: 0321-2571915
2	M/s. Ahmed Luggage Industries, Factory No. 49/11, Street No.2, Rohinala Nadir Street, Gujumat, Lahore. Cell:0321-2571915
3	M/s. Ahmed Enterprises, S.S. Plaza, Jamrud Road, Peshawar. Cell: 0321-2571915
4	M/s. Al-Hatim Impex, Office 6B-5, Fakhri Trade Center, Shahra-e-Liaquat, Karachi. Tel: 021-32601415-6
5	M/s. Rayyan Traders, Shop No. G-1, Gazyani Shopping Mall, Near Gul Plaza, Marstan Road, Karachi. Cell: 0321-3409929
6	M/s. Shayan Traders, F.No. A-5, Maryam Square, Plot No.449, Business Recorder Road, Karachi. Cell: 0321-2148194
7	M/s Diamond Leather Craft, B-318, Trunk Bazar, Rawalpindi 0300-5241970

Copy to:

- 1) The Member Customs (Policy/Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Intelligence and Investigation (Customs)-FBR, Islamabad.
- 3) The Director General (Reforms & Automation), Customs, Islamabad.
- 4) The Director General, PCA & Internal Audit, Custom House, Karachi.
- 5) The Director General, IOCO, Custom House, Karachi.
- 6) The Director General, Transit Trade, Custom House, Karachi.
- 7) The Chief Collector of Customs (North), Custom House, Islamabad.
- 8) The Chief Collector of Customs Enforcement (Central), Custom House, Lahore.
- 9) The Chief Collector of Customs Appraisalment, (Central), Custom House, Lahore.
- 10) The Chief Collector of Customs, Baluchistan, Custom House, Quetta.
- 11) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 12) The Chief Collector of Customs, Appraisalment (South), Custom House, Karachi.
- 13) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 14) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad.
- 15) The Director, Directorate of Customs Valuation, Lahore.
- 16) The Collector of Customs, Collectorate of Customs, (Appraisalment - West / Appraisalment - East/
Appraisalment - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad /
(Appraisalment / Enforcement), Quetta / Gawadar / (Appraisalment / Enforcement / AIIA), Lahore /
Appraisalment, Faisalabad / Appraisalment, Sambrial (Sialkot) / Enforcement, Multan / Islamabad /
Gilgit -Baltistan / (Appraisalment / Enforcement), Peshawar / Enforcement, Dera Ismail Khan/
Exports (Port Muhammad Bin Qasim / Custom House), Karachi.
- 17) The Secretary (Valuation & Audit), Federal Board of Revenue, Islamabad.
- 18) All Additional Directors / Deputy Directors / Assistant Directors, Customs Valuation, Karachi
- 19) The President, FPCC&I/KCC&I, Karachi
- 20) Assistant Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in
One Customs & WEBOC Database System.
- 21) Guard File.