
The Collector of Customs, Collectorate of Customs (Appraisalment -West / Appraisalment - SAPT / 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 Qasim / Custom House Karachi) / Transit Trade, Karachi.

**DETERMINATION OF CUSTOMS VALUES OF CERAMIC/ PORCELAIN
SANITARY WARES UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1876/2024)

C. No. Misc/07/2017-V/ **395**

Dated: 26-04-2024

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the customs values of Ceramic/ Porcelain Sanitary wares are determined as follows:

2. **Background of the valuation issue:** Earlier, the customs values of Ceramic/ Porcelain Sanitary wares were determined vide Valuation Ruling No. 1857/2024 dated 27-02-2024. The subject Valuation Ruling was challenged before the Director General of Customs Valuation under Section 25D of the Customs Act, 1969 that was remanded back to the Director (Customs Valuation) vide Order-in-Revision No. 18/2024 dated 08-04-2024 with the directions to re-determine the impugned values under Section 25A of the Customs Act, 1969 within three weeks by providing the opportunity of hearing to the petitioners/stakeholders and taking into consideration the observations mentioned therein. The relevant directions/observations are reproduced below:

“On inspection of the record, the market inquiry has been found deficient on certain counts, like pre-survey planning and selection of target markets for gathering market prices in an organized or structured format in accordance with the instructions laid down in the said Office Order. It is further observed that out of forty stakeholders who were issued hearing notices, eleven participated in the final hearing proceedings, eight petitioners have assailed the Valuation Ruling and out of eight petitioners, five were not part of the process when the exercise to determine the values was conducted”.



In view of the above, this Directorate initiated an exercise for the re-determination of Customs values of subject goods under Section 25A of the Act, *ibid*.

3. **Stakeholders' participation in determination of Customs values:** Meeting with the stakeholders including trade bodies was called in this Directorate on 22-04-2024 that was attended by the legal counsel representing several importers.

4. **Analysis / Exercise done to determine Customs Values:** The representative of the stakeholders contended that the market inquiry must be conducted from the wholesale markets/warehouses but not the brand outlets and showrooms as their overhead expenses are very high. Moreover, she raised the importers' grievance that the market survey while issuance of the Valuation Ruling No. 1857/2024 dated 27-04-2024 was done incorrectly and the customs

values determined are exorbitantly high. Furthermore, the import volume has declined due to increase in customs values. The representative also informed that all items covered in the subject Valuation Ruling are available in the local market. In this regard, the stakeholders were requested to submit the requisite documents to support their contention. Therefore, recent import data has been scrutinized and market inquiry has been conducted of the subject goods 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.

5. **Methods Adopted to Determine Customs Values:** Valuation methods provided in Section 25 of the Customs Act, 1969, were duly applied in 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 actual / transaction values. Moreover, different values were declared by the different importers for same products. 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. Market enquiry as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969 was also conducted. Various wholesale markets were visited to observe the actual prices of sanitary wares of different origin and brand. The exercise provided some applicable reference values. Valuation method vide Section 25(8) of the Customs Act, 1969, 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, the Customs values of the subject goods have been determined under Section 25(9), read with Section 25(7) of the Customs Act, 1969, and Customs Rule 121(2) of Customs Rules, 2001 which provides that the methods of valuation, to be employed under sub-section (9) of section 25 of the Customs Act 1969 may be inclusive of those laid down in sub-sections (1), (5), (6), (7) and (8) of the said section, but a reasonable flexibility in the application of such methods would be in conformity with the aims and provisions of sub-section (9) of that section.

6. **Customs values for Ceramic/ Porcelain Sanitary wares - hereinafter specified** shall be assessed to duty/ taxes on the Custom values given against them in the Table below: -

Sr. No.	Description	PCT	Proposed PCT for WeBOC	Customs Values C&F Value (US\$ /PC / Set)		
				China	Turkey / Thailand / Malaysia / Indonesia	Europe / USA
1	Toilet Set 1 pc set (Pedestal pan with Cistern & Accessories)	6910.1080	6910.1080.1000	42.50	51.00	63.75
2	Toilet Set 2 pc set (Pedestal Pan with Cistern Accessories)	6910.1080	6910.1080.1100	35.20	39.74	49.93
3	Wall Hung Toilet with Cistern	6910.1080	6910.1080.1200	41.80	46.59	62.48

4	Wall Hung Toilets	6910.1080	6910.1080.1300	23.30	25.94	32.42
5	Concealed Cistern	6910.1040	6910.1040.1000	20.50	22.84	28.55
6	Cistern Flash Tank	6910.1040	6910.1040.1100	7.95	10.29	12.86
7	Gold Plated Toilet 1 pc set (Pedestal pan with Cistern & Accessories)	6910.1080	6910.1080.1400	85	101.60	127.77
8	Wash Basin with Pedestal up to 60 cm	6910.1010	6910.1010.1000	16.5	18.98	23.72
9	Wash Basin with Pedestal more than 60cm	6910.1010	6910.1010.1100	38	42.44	53.05
10	Wash Basin with Half Pedestal up to 60cm	6910.1010	6910.1010.1200	15.70	17.25	21.57
11	Wash Basin (under counter) without Pedestal	6910.1010	6910.1010.1300	14	16.32	20.33
12	Wash Basin (over counter/art vanity) without Pedestal	6910.1010	6910.1010.1400	9.55	10.88	13.60
13	Pedestal for Wash Basin	6910.1090	6910.1090.1000	5.5	5.84	7.30
14	Squatting pan without Cistern/ WC / Water Closet	6910.1080	6910.1080.1500	4.00	4.75	5.94
15	Wall Hung Urinal Small	6910.1070	6910.1070.1000	8.45	9.60	11.97
16	Pedestal Urinal Large	6910.1070	6910.1070.1000	18.15	21.03	26.28
17	Bidet	6910.1030	6910.1030.1000	24.5	24.75	31.35
18	Double Square Sink with Fitting	6910.1050	6910.1050.1000	25.5	28.98	36.23
19	Single Sink with Fitting	6910.1050	6910.1050.1100	19	21.83	27.38
20	Ceramic Bath Tub (Plain)	6910.1020	6910.1020.1000	100	116.16	145.20
21	Seat Cover	6910.1090	6910.1090.1100	3.65	4.42	5.52
22	Pedestal Pan with Seat Cover	6910.1080	6910.1080.1600	18.90	22.27	27.89
23	Half Pedestal	6910.1010	6910.1010.1500	3.80	4.60	5.75
24	WC / Water Closet	6910.1080	6910.1080.1600	10	11.38	14.05

7. 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 officers shall take into account the difference between air freight and sea freight while applying the Customs values in this Ruling.

8. **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 is rescinded

or revised by the competent authority in terms of sub-section (4) of Section 25A of the Customs Act, 1969.

9. 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.

10. 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 the aforementioned table 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.

11. *This Ruling supersedes Valuation Ruling No. 1857/2024 dated 27-02-2024.*



(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, 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, 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.