



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

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**DETERMINATION OF CUSTOMS VALUES OF OPTICAL FRAMES AND SUNGLASSES UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.**

**1895**

**(VALUATION RULING NO /2024)**

No.Misc/01/2020-IX/668

Dated: 04-07-2024

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Optical Frames and Sunglasses are determined as follows:

- Background of the valuation issue:** This Directorate received representations from importers for determination of customs values of branded and un-branded Optical Frames and Sunglasses as per prevailing international market prices. They argued that, in the absence of any VR, the impugned goods are being assessed at very high values that are not reflective of actual prices of goods. The issue of under-invoicing and smuggling of Optical Frames and Sunglasses was also raised. Hence, this Directorate, after scrutiny of the matter in detail and analysis of import data, decided to issue a new Valuation Ruling for Sunglasses and Optical Frames, where for an exercise has been undertaken.
- Stakeholders' participation in determination of Customs Values:** Meetings were convened on 29-04-2024 & 14-05-2024 which were attended by all the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meetings. The stakeholders submitted their proposals and the same were considered with respect to the valuation of subject goods.
- Analysis / Exercise done to determine Customs values:** The Directorate conducted data analysis which revealed that the number of pieces of optical frames/ sunglasses imported before issuance of clearance Collectorate guideline were 9,105,810 and number of pieces of optical frames/ sunglasses imported after issuance of guideline by the clearance Collectorate guideline are 5,945,373. This shows import volume of optical frames/ sunglasses has reduced by 53%. The stakeholders stated that issuance of a Valuation Ruling would harmonize and rationalize the values of branded and un-branded Optical Frames and Sunglasses. This would result in market competitiveness and increase the volume of import through proper channel. For this purpose, market inquiry was conducted and examined in the light of 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.
- Method (s) adopted to determine Customs values:** Valuation methods specified in Section 25 of the Customs Act, 1969, were duly applied in sequential order to arrive at the Customs values of subject goods. The transaction value method as provided in sub-section (1) of

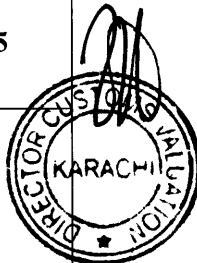


Section 25 of the Customs Act, 1969, was found inapplicable due to absence of information as required under sub-section (2) of Section 25 of Customs Act, 1969. Therefore, identical goods value method provided in Section 25(5) was examined for applicability to determine Customs values of subject goods. 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. Information available was, hence, found incomplete. Subsequently, similar goods value method provided in Section 25(6) was examined for applicability to determine Customs value of subject goods. However, Declared Values of similar goods had shown consistent variations. Hence, this method was also found inapplicable. Market enquiry as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969 was also conducted but could only yield results to some extent because of variations in market prices. In line with statutory sequential order of section 25, Computed value method, as provided in Section 25(8) of the Customs Act, 1969 was examined, but the same also could not be applied as the conversion cost from the constituent materials and allied expenses, in the country of export, were not available for manufacturing of Sunglasses and Optical Frame. Finally, the Customs values of the subject goods have been determined under Section 25(9), read with Section 25(7), 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 of Optical Frames and Sunglasses:** - Optical Frames and Sunglasses *hereinafter specified* shall be assessed to duty / taxes at the customs values as per following tables:

**VALUE OF SUNGLASSES TABLE-A**

S. No.	Brand Name	Category	PCT	WeBOC	Origin	Customs Value (C&F) US\$/Piece
1	Gucci, Rayban, Burberry, Cartier, Prada, Montblanc, Chanel, Saint Lauren, D&G, Bvlgari.	A		9004.1000.1000	All Origins	25
2	CK, Lacoste, Police, Guess, Nike, Salvatore Ferragamo, Kari Lagerfeld, Lozza, Chopard, Cavalli, Nina Ricci, Porsche, Polo Ralph Lauren, Tiffany, Michael Kors, Swarovski, Coach, Versace, DKNY, Vouge, Trussardi, Paul Smith, Adidas, BMW, Emilio Pucci, Ermenegildo Zegna, Fendi, Fred, GANT, GCDS, Hackett London, Harley-Davidson, IC! Berlin, J. Landon, Kenneth	B	9004.1000	9004.1000.1100	All Origins	13



	Cole, Marciano, Max Mara, Max & Co., DITA, Pepe Jeans, Skechers, Ted Baker, Tod's, Tom Ford, WEB Eyewear, Rodenstock, Diva, FORA, MOREL Lunettes, ELLE, ESPRIT, Stepper Eyewear, Charmant, etc.					
3	Un-branded	C		9004.1000.1200	All Origins	2.25

**VALUE OF OPTICAL FRAME TABLE-B**

S. No.	Brands Name	Category	PCT	WeBOC	Origin	Customs Value (C&F) US\$/Piece
1	Gucci, Rayban, Burberry, Cartier, Prada, Montblanc, Chanel, Saint Laurent, D&G, Bvlgari.	A		9003.1900.1000	All Origins	18
2	CK, Lacoste, Police, Guess, Nike, Salvatore Ferragamo, Kari Lagerfeld, Lozza, Chopard, Cavalli, Nina Ricci, Porsche, Polo Ralph Lauren, Tiffany, Michael Kors, Swarovski, Coach, Versace, DKNY, Vouge, Trussardi, Paul Smith, Adidas, BMW, Emilio Pucci, Ermenegildo Zegna, Fendi, Fred, GANT, GCDS, Hackett London, Harley-Davidson, IC! Berlin, J. Landon, Kenneth Cole, Marciano, Max Mara, Max & Co., DITA, Pepe Jeans, Skechers, Ted Baker, Tod's, Tom Ford, WEB Eyewear, Rodenstock, Diva, FORA, MOREL Lunettes, ELLE, ESPRIT, Stepper Eyewear, Charmant, etc.	B	9003.1900	9003.1900.1100	All Origins	9
3	Un-branded	C		9003.1900.1200	All Origins	1.5



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-Sections (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, 7<sup>th</sup> 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 concerned assessing officers / officials without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. The Customs values determined in this ruling are for the descriptions and specifications as mentioned in Para-6 of this Ruling. HS Codes are mentioned for illustrative purposes so that Valuation Ruling is 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.
- 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 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 /Quetta/Peshawar.
- 17) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in 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.