



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE
KARACHI

RULING U/S 25-A NO. 326

No. Misc/05/2009-VIC/1457

Dated: 25-05-2011

Note:-

- i) *The customs value determined under this Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.*
- ii) *Review application against this valuation ruling may be filed before the Director-General of Valuation under Section 25D of the Customs Act, 1969, within thirty (30) days from the date of determination of customs value under this ruling.*

The Collectors of Customs, Model Customs Collectorates (Appraisalment/ PaCCS/ Port Qasim/ Preventive), Karachi/ Lahore/ Sambrial/ Faisalabad/ Multan/ Islamabad/ Hyderabad/ Quetta/ Peshawar.

Subject: DETERMINATION OF CUSTOMS VALUE OF IRON & STEEL DRAWER LOCK, DOOR CLOSER & HINGES UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

Earlier Valuation Ruling in terms of section 25A of the Customs Act, 1969, determining the value of Drawer Lock, Door Closer and Hinges was issued on 31-10-2009. The aforesaid valuation ruling was challenged before the Hon'able High Court of Sindh whereon order dated 28-02-2011, in CP No. 2673/2009, the Honourable Court held the ruling dated 31-10-2009, as ultra vires of Section 25A, while observing as under:



"28..... Although this ruling also refers to some of the methods of section 25 (referring to subsections (1), (5) and (6) and then purports to apply the deductive value method (subsection (7)), it is, in our view, nonetheless non-compliant with the requirements of section 25A. Subsection (1) (transaction value) is in any case not applicable to a determination under section 25A. Subsections (5) and (6) are apparently rejected because the "declared" prices of previously imported goods of the same category are "extremely low" compared with their "selling prices in the market". However, subsections (5) and (6) (the identical and similar goods methods) clearly provide that it is the transaction value of the said goods "when sold for export to Pakistan" and "exported at or about the same

time as the goods being valued" that is relevant. The "selling prices" in the local (Pakistan) are irrelevant. It is also not clear how the deductive value method (subsection (7)) has been applied. This ruling is therefore, also ultra vires Section 25A." And



"31.....make a fresh determination of the customs value of the concerned category of goods under section 25A in the light of what has been stated herein above within 90 days from today, after following the procedure applicable to the method actually adopted and giving an opportunity to the stakeholders to make representations..."

2. The revision exercise by this Directorate General, therefore, had to comply with and duly take into consideration the aforesaid orders of the Hon'able High Court of Sindh, Karachi. In order to proceed with the fresh determination of customs values, meeting with all stakeholders were fixed for 24-03-2011 & 04-05-2011. The meetings were attended by representatives of the importers. During the meetings, they insisted that the importer's declared value under section (5) & (6) should be considered for determination of customs value. The representatives also contested that the earlier valuation ruling was issued on the basis of independent local market enquiry under section 25(7) of the Customs Act, 1969, which has been set aside by the Honourable High Court. On the other hand, analysis of the imports data of the under reference item indicated that declared prices were in the range of US\$ 0.62/kg to US\$ 0.77/kg and some description are also incomplete, therefore, it is apparent that the import data suffers from infirmities and cannot be adopted for valuation determination in terms of transaction, identical or similar goods value determination methods as laid down under Section 25 (1), (5) or (6) of the Customs Act, 1969. Therefore, local market enquiry of instant item made up of iron & steel, as envisaged under Section 25 (7) of the Customs Act, 1969, was conducted in the presence of representatives of importers.

3. As a result of the aforesaid market inquiry and the allied facts on ground, revised customs values as envisaged under the provisions of Section 25 (7) of the Customs Act, 1969, have been arrived at as under:-

S.No.	Description of goods	H.S.Code	Origin	Customs value
01.	Drawer Lock	8301.3000	China Others	US\$ 3.97/kg US\$ 4.77/kg
02.	Door closer	8302.6000	China Others	US\$ 3.60/kg US\$ 4.32/kg

03.	Hinges	8312.1090	China Others	US\$ 1.88/kg US\$ 2.25/kg
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4. The above values are hereby determined under section 25A of the Customs Act, 1969. All the Customs Collectorate are advised to finalize the assessment on the value mentioned above. These values shall remain valid until revised. However, if the invoice value is higher than the value in this ruling, then such higher value shall be adopted for assessment under Section 25 of the Customs Act, 1969.

Muhammad Fahir
(MUHAMMAD FAHR)
DIRECTOR

Copy to:

01. SA to Chairman, Federal Board of Revenue, Islamabad.
02. Member (Customs), Federal Board of Revenue, Islamabad.
03. Chief Collectors of Customs (North/South), Lahore/Karachi.
04. The Director General of Intelligence Investigation-FBR, Islamabad.
05. The Director General of Customs Valuation, Karachi.
06. The Director General of Post Clearance Audit, Karachi.
07. The Directors of Intelligence Investigation-FBR, Karachi/Lahore/ Islamabad.
08. The Deputy Director (Hqra.), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & PaCCS database on the date of issue of this ruling.
09. Chairman (Valuation Committee), FPCC&I, Federation House, Karachi.
10. Chairman (Valuation Committee), KCC&I, Aiwana-e-Tijarat Road, Karachi.
11. Karachi Customs Agents Group (KCAG), Bohri Road, Karachi.
12. Guard File.