

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

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**The Collectors of Customs**, Model Customs Collectorates, Appraisement (East / West) / Port Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Peshawar / Gawadar / Gilgit-Baltistan.

**Determination of Customs Values of Tubular Metal Needles Under Section 25-A of The Customs Act, 1969**

**(VALUATION RULING No. 900/2016)**

No. Misc/05/2011-VIIB/IX

Dated: 04-08-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Tubular Metal Needle are determined as follows: -

**2. Background of the valuation issue:** The customs values of Tubular Metal Needles were determined vide Valuation Ruling No. 740/2015, dated 02-06-2015. A reference was received from MCC (Appraisement)-West, Custom House, Karachi vide letter No. SI/Misc/106/2016 /Group-VII, dated 07-06-2016, that during the course of physical examination an invoice was found from the container which indicated substantially higher value than the one declared by the importer. Therefore, this Directorate General initiated an exercise for determination of customs values for the subject goods.

**3. Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were held on 21-06-2016 and 02-08-2016. The stakeholders had been requested to furnish the following documents:-

- A. Invoices of imports during last three months showing factual value.
- B. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- C. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- D. Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

4. As no representative from MCC (A)-West, Custom House, Karachi attended the meeting held on 21-06-2016 therefore another meeting was scheduled on 02-08-2016, and they were again requested to attend the same and submit supporting documents.

5. The meeting held August 02, 2016, was attended by different local manufacturers, importers and representative of MCC (A)-West, Custom House, Karachi. The representative 2015, an invoice of US\$18525 against declared value of US\$3480 was found from the container and that based on this invoice, contravention was instituted against the importer besides sending a reference to the Directorate General of Customs Valuation. He also contended that determined customs values of tubular needles are on lower side. The importer present during the stakeholder meeting contended that Department had made out a false case which had been finally disposed off vide Collector of Customs (Appeal) under Section 193 of the Customs Act, 1969, vide Order in Appeal No.10822/2015 (Cus/7753 /2015/A-West/4008), dated 20-11-2015, and submitted copy of the Order. In the judgment, Collector Appeals has observed that *"In view of the aforementioned discussion, I have reached the conclusion that the found document stands falsified on the basis of transaction documents produced by the appellants. The value given in the document is far away from reality and does not appeal to reason. The appellants cannot be held to have committed any offence. The original order is set aside and assessment is allowed to be finalized as per applicable Valuation Ruling"*. They also claimed that

the customs values determined vide the previous Valuation Ruling were fair and there was no change in the value in the international market. During the course of meeting it was clarified that under 'Tubular Metal Needles' three very different types of needles are imported, one which is ready to use and imported in packed form with plastic cap and fitted hub and mostly imported by commercial importers. On the other hand, manufacturers of syringes also import tubular metal needles which is metallic shaft only and imported in bulk form. The third category is disposable veterinary metal needles imported in finished form. This Valuation Ruling is issued with prospective effect without prejudice to any proceedings pending in any legal fora of the country.

**6. Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs value of Tubular Metal Needles. Transaction value method provided in Section 25 (1) was found inapplicable owing to wide variation in the values being declared to the customs and incomplete descriptions. Identical/ similar goods value methods provided in Section 25 (5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in declared values of subject goods. Thereafter, market enquiry as envisaged under Section 25 (7) of the Customs Act, 1969, was conducted. Online prices were also obtained to corroborate the findings of the market surveys. Computed Value Method as provided in Section 25 (8) could not be applied for valuation of the aforementioned goods as the cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25 (8) of the Act, in the country of export, could not be ascertained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values of tubular metal needles. Consequently, the Customs values of Tubular Metal Needles have been determined under Section 25 (9) of the Customs Act, 1969.

**7. Customs values for Tubular Metal Needles:-** Tubular Metal Needles, hereinafter specified shall be assessed to duty/taxes at the following Customs Values:-

**TABLE-A**

S. No.	Description of goods	PCT	Proposed PCT for WEBOC	Origin	Customs Values (C&F) US\$/KG
(1)	(2)	(3)	(4)	(5)	(6)
1.	Tubular Metal Needle (ready to use in packed form with plastic cap fitted with hub)	9018.3200	9018.3200.1000	China	7.25
2.	Tubular Metal Needle (ready to use in packed form with plastic cap fitted with hub )	9018.3200	9018.3200.1100	Other Origins	8.70
3.	Tubular Metal Needle (metallic shaft only in bulk form)	9018.3200	9018.3200.1200	China	7.50
4.	Tubular Metal Needle (metallic shaft only in bulk form)	9018.3200	9018.3200.1300	Other Origins	8.90
5.	Tubular Metal Needle (for veterinary use)	9018.3200	9018.3200.1400	China	5.50
6.	Tubular Metal Needle (for veterinary use)	9018.3200	9018.3200.1500	Other Origins	6.60

8. In cases where declared/transaction 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 differential between air freight and sea freight or in case of import through Land Customs Stations, the differential amount between the Sea freight and land transport charges while applying the Customs values determined in this Ruling.

**9. Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

**10. Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25-D of the Customs Act, 1969, within 30 days from the date of issue of this ruling, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.

11. The Collectors of Customs may kindly ensure that the values given in this Valuation Ruling for the given description of goods are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the tables above of this Ruling. HS Codes are mentioned for illustrative purposes so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue therein.

**12. This Valuation Ruling supersedes Valuation Ruling No. 740/2015, dated 02-06-2015.**

**(DR.WASIF ALI MEMON)**

Director

Copy for information to:-

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1<sup>st</sup> Floor, PT &T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta Peshawar / Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No. 740/2015, dated 02-06-2015.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. Law Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi / MCC, Appraisalment, 1<sup>st</sup> Floor, Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading FBR website and deleting Valuation Ruling No. 740/2015, dated 02-06-2015.
22. Guard File.