

(This Ruling has been revised / superseded vide Valuation Ruling No. 1397/2019 dated 28-10-2019)

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

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 CHILDREN (BABY/BABA) GARMENTS
OF LOW END BRANDS OF CHINA, VIETNAM, INDONESIA, THAILAND, MALAYSIA,
UAE, SRI-LANKA AND OTHER ORIGINS UNDER SECTION 25-A OF THE CUSTOMS
ACT, 1969**

(VALUATION RULING No. 1005/2017)

File No. Misc/13/2007-IV (Part IV)

Dated: 9th January, 2017

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

2. Background of the valuation issue: A number of representation were received from different importers of Imported Children (Baby/Saba) Garments stating that their frequently imported children garments items are not covered in the Order-In-Revision 239/2016 dated 31.08.2016 which is causing hard ship during examination and assessment stages. The importers of subject children garments items further contended for determination of fair value of these specific goods as per prevailing international prices. In the light of forgoing, an exercise was undertaken by this Directorate General to determine the fair values according to trends prevailing in the current international market.

3. Stakeholders' participation in determination of Customs values: A meeting for the determination of customs values of Garments with the stakeholders was conducted on 03.01.2017, wherein the matter was discussed in detail wherein the importers stated that the prices of all kinds of garments items have come down due to internationally reduced yarn prices. It was further contended that the subject children garment items are frequently being imported by the importers as an independent articles with slight variations of prices as per the different sizes. The representative of PRGMEA (Pakistan Readymade Garments Manufacturing Association) also attended the meeting and placed forth their point of view.

4. Furthermore, the importers submitted their import documents in support of their contention and requested to accept their transactional values. All the participants were requested to submit the following documents so that correct customs values could be determined:

- i) Invoices of imports during last three months showing factual values, websites, names and email addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- ii) Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- iii) 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.

5. Method adopted to determine Customs values: Valuation methods provided in Section 25 of the Customs Act, 1969 were duly followed and applied sequentially to address the valuation issue at hand. Transaction value method provided in Sub-Section (1) of Section 25 was found inapplicable because it is generally known to all that majority of invoices produced at import stage are manipulated/fabricated and hence the requisite information required under the law was not available to arrive at the correct transaction value. Identical / similar goods value method provided in Sub-

Sections (5) & (6) of Section 25 ibid were examined for applicability to determine Customs value of subject goods, this data provided some references, however, it was found that the same cannot be solely relied upon due to the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc., and also it was observed that same importers provide misleading description while declaring goods, as other types and varieties of similar goods to avoid the application of valuation ruling. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969, however, it was found that the determination of Customs value could not be based solely upon this method either. Therefore, valuation method provided vide Section 25(8) of Customs Act 1969, could not be applied as the conversion cost from constituent materials and allied expenses, at country of export were are not available. Finally, Pral database, market in format ion and international prices through Web were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject good. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive at assessable customs values of Children (baby/Baba) Garments of Low End Brands of China, Vietnam, Indonesia Thailand, Malaysia, UAE, Sri-Lanka And Other Origins.

6. Customs values for Garments: Children Garments (Baby/Baba) of Low End Brands of China, Vietnam, Indonesia Thailand, Malaysia, UAE, Sri-Lanka And Other Origins hereinafter specified shall be assessed to duty / Taxes at the following Customs Values:-

S. No.	Description of goods	PCT Code	Proposed PCT for WEBOC	Origins	Customs Values (US\$ Per Piece)
1	Baby / Baba Jhabla Set	6111.2000	6111.2000.1000	China / Vietnam	0.40/PC
		6111.3000	6111.3000.1000		
		6111.9000	6111.9000.1000	Indonesia / Thailand / Malaysia / U.A.E	0.44/PC
		6209.2010	6209.2010.1000		
		6209.3000	6209.3000.1000		
		6209.9010	6209.9010.1000	Bangladesh / Srilanka	0.42/PC
6209.9090	6209.9090.1000				
2	Baby / Baba T. Shirt / Shirt	6105.1000	6105.1000.1000	China / Vietnam	0.55/PC
		6105.2000	6105.2000.1000		
		6105.9000	6105.9000.1000	Indonesia / Thailand / Malaysia / U.A.E	0.61/PC
		6106.1000	6106.1000.1000		
		6106.2000	6106.2000.1000		
		6106.9000	6106.9000.1000	Bangladesh / Srilanka	0.58/PC
		6109.1000	6109.1000.1000		
		6109.9010	6109.9010.1000	Others	0.66/PC
		6109.9090	6109.9090.1000		
		6205.3000	6205.3000.1000		
6205.9090	6205.9090.1000				
3	Baby / Baba T. Shirt / Shirt	6105.1000	6105.1000.1000	China / Vietnam	0.38/PC
		6105.2000	6105.2000.1000		
		6105.9000	6105.9000.1000	Indonesia / Thailand / Malaysia / U.A.E	0.42/PC
		6106.1000	6106.1000.1000		
		6106.2000	6106.2000.1000		
		6106.9000	6106.9000.1000	Bangladesh / Srilanka	0.40/PC
		6109.1000	6109.1000.1000		
		6109.9010	6109.9010.1000	Others	0.46/PC
6109.9090	6109.9090.1000				
6205.3000	6205.3000.1000				

		6205.9090	6205.9090.1000		
4	Baby / Baba Shorts, Bermuda, Caprice	6103.4200	6103.4200.1200	China / Vietnam	0.30/PC
		6103.4300	6103.4300.1200		
		6103.4900	6103.4900.1200	Indonesia / Thailand / Malaysia / U.A.E	0.33/PC
		6104.6200	6104.6200.1200		
		6104.6300	6104.6300.1200		
		6104.6900	6104.6900.1200		
		6203.4100	6203.4100.1200	Bangladesh / Srilanka	0.32/PC
		6203.4190	6203.4190.1200	Others	0.36/PC
		6203.4200	6203.4200.1200		
		6203.4300	6203.4300.1200		
6203.4900	6203.4900.1200				
5	Baby Frock	6105.1000	6105.1000.1100	China / Vietnam	0.60/PC
		6105.2000	6105.2000.1100		
		6105.9000	6105.9000.1100	Indonesia / Thailand / Malaysia / U.A.E	0.66/PC
		6106.1000	6106.1000.1100		
		6106.2000	6106.2000.1100		
		6106.9000	6106.9000.1100		
		6109.1000	6109.1000.1100	Bangladesh / Srilanka	0.63/PC
		6109.9010	6109.9010.1100	Others	0.72/PC
		6109.9090	6109.9090.1100		
		6205.3000	6205.3000.1100		
6205.9090	6205.9090.1100				

7. The values are meant for Children (Baby/Baba) Garments age from 1 to 5 years old only: 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 while applying the Customs values determined in this Ruling.

8. 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. In case imported items are not specifically fall under any of above mentioned brands, the same may be assessed under Section 25-A, otherwise if appropriate the same may be referred to Directorate of Customs Valuation for necessary action at their end.

9. 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, 7th Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in the 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 Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. 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.

(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), 1st 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.
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, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisalment, 1st Floor, Custom House, Karachi.
21. Guard File.
22. Webmaster, Federal Board of Revenue, Islamabad.