(This Ruling has been revised / superseded vide Valuation Ruling No. 1601/2022 dated 18-02-2022)

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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 BROOM STICK UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING No. 1006/2017)

No. Misc/77/2016-I Dated: 9th January, 2017

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

2. Background of the Valuation Issue: This Directorate General had earlier circulated customs values for reference purposes vide Valuation Data Base letter 02 dated 18-05-2016. However, Pakistan Kiryana Merchants Association approached this Directorate General and requested to issue valuation ruling for subject goods, pointing out various issues like uniform applicability, value etc. of the Reference values circulated vide No. 2 dated 08-05-2016. Therefore, this Directorate General initiated an exercise for determination of customs values of Broom Stick.

3. Stakeholders' Participation in Determination of Customs Values: Meetings for the determination of customs values of Desiccated Coconut with stakeholders were held on 03-01-2017 which were duly attended by all the stakeholders. All the stakeholders strongly contended that the valuation notified vide the VDB is on the higher side and requested that the said Valuation Data Base may be reviewed in the light of prevailing international and local market prices. The different importers, who were of the view that the actual prices of Broom Stick were lower than determined vide VDB letter No. 2. Further, they requested to re-conduct market survey from local market for determination of customs values of Broom Stick, importers further claimed that genuineness of their point of view will be established.

4. Method Adapted 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 the requisite information under the law was not available to arrive at the correct transaction value. Furthermore, no invoices found from inside import- containers are reported by clearance collectorates. 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 information 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 Broom Stick.

5. Customs Values for Broom Stick: Broom Stick hereinafter specified shall be assessed to duty / taxes at the following Customs Values:-

S. No.	Description of goods	H.S. Code	PCT for WEBOC	Origin	Customs Values (C&F) US$/KG
(1)	(2)	(3)	(4)	(5)	(6)
1.	Broom Stick Ekels	1404.9041 1404.9049	1404.9041.1000 1404.9049.1000	Sri Lanka / Indonesia	0.30
		1404.9041 1404.9049	1404.9041.1100 1404.9049.1100	Other origin	0.35
2.	Broom Stick Flower	1404.9041 1404.9049	1404.9041.1200 1404.9049.1200	Sri Lanka / Indonesia	0.75
		1404.9041 1404.9049	1404.9041.1300 1404.9049.1300	Other origin	0.80

6. 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. Furthermore, if subject goods are imported but do not specifically fall under the above provided description then the Collectorate may assess the same under section 25 of the Act or may invoke section 81 of 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.

7. 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.

8. 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.

9. 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 especially with reference to filled with any prohibitive item thereon in chocolates. 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 (Appraisement), 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 and deleting Valuation Data Base No. 2, dated 18-05-2016 from the system on the date of issue of this ruling.
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, Appraisement, 1st Floor, Custom House, Karachi.
21. Guard File.
22. Webmaster, Federal Board of Revenue, Islamabad.