

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 SCHOOL BAGS, BRIEFCASES AND
LAPTOP BAGS UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING No. 1008/2017)

No. Misc/14/2016-III

Dated: 11th January, 2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of School Bags, Briefcases and Laptop Bags are determined as follows:-

2. Description of the valuation issue: The Customs values of School Bags, Briefcases and Laptop Bags were determined under Section 25-A of the Customs Act, 1969, vide Valuation Ruling No. 867/2016 dated 08.06.2016. Thereafter, customs values of school bags of textile material were suggested vide VDB letter No. 20 dated 28.07.2016. Several importers submitted representations for revisiting the above mentioned VDB values to reflect the current price trend in the international market. An exercise was undertaken to examine contents of the importers' request and to determine the Customs values of the subject goods in the light of prevailing international market prices.

3. Stakeholder's participation in determination of Customs values: Stakeholders' meetings were scheduled on 13.12.2016 and 20.12.2016. All participants were requested to submit the following documents:

- i. Invoices of imports during last three months showing factual value.
- ii. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- iii. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- iv. Copies of Sales Tax Invoices issued during last three 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.

The second meeting was attended by commercial importers of school bags. They submitted that the prices of school bags were considerably lower in the international market. They requested that market enquiry be conducted from whole sale markets in the city. Some importers submitted import invoices, however, the remaining requisite documents have not been furnished till date by most of the importers.

4. Method adopted to determine customs values: Valuation methods provided under Section 25 of the Customs Act, 1969 were followed to arrive at fair value of School Bag, Briefcase and Laptop Bag. Transaction value method provided in Section 25(1) was found inapplicable because the requisite information was not available as per law. 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 the prices. Thereafter, market enquiry as envisaged under Section 25(7) of the Customs Act, 1969, was conducted and the findings of market enquiry were also considered for determination of customs value for School Bag, Briefcase and Laptop Bag. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as concerned costs in the country of export were not available. Finally, available data, market information and input provided by the stakeholders was evaluated and international prices from internet sources were thoroughly examined. All the information so gathered was carefully analyzed for determination of

customs value of School Bag, Briefcase and Laptop Bag. Consequently, the fall back method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive at the assessable customs values of School Bags, Briefcases and Laptop Bags in this case.

5. Customs Values of School Bags, Briefcases and Laptop Bags hereinafter specified, shall be assessed to duty/taxes on the Customs values mentioned against them in the Tables below:

Table "A"

S. No.	Description of goods	PCT	Proposed PCT for WEOC	Origins	Customs Values (C&F) US\$/PC
(1)	(2)	(3)	(4)	(5)	(6)
01	School Bags (Fiber Body)	4202.1190	4202.1190.1000	China	5.93
02	School Bags (Fiber Body)	4202.1190	4202.1190.1100	Other origins	7.11
03	School Bags (Plastic Body)	4202.1190 4202.1290	4202.1190.1200 4202.1290.1000	China	4.19
04	School Bags (Plastic Body)	4202.1190 4202.1290	4202.1190.1300 4202.1290.1100	Other origins	5.00
05	School Bags (Soft original leather)	4202.1190	4202.1190.1400	China	15.53
06	School Bags (Soft original leather)	4202.1190	4202.1190.1500	Other origins	18.63
07	School Bags (Artificial Leather)	4202.1190	4202.1190.1600	China	6.74
08	School Bags (Artificial Leather)	4202.1190	4202.1190.1700	Other origins	8.00
09	Briefcases (Fiber Body)	4202.1190	4202.1190.1800	China	9.40
10	Briefcases (Fiber Body)	4202.1190	4202.1190.1900	Other origins	11.28
11	Briefcases (Plastic Body)	4202.1190 4202.1290	4202.1190.1500 4202.1290.1200	China	8.58
12	Briefcases (Plastic Body)	4202.1190 4202.1290	4202.1190.2000 4202.1290.1300	Other origins	10.20
13	Briefcases (Hard original leather)	4202.1190	4202.1190.2100	China	29.40
14	Briefcases (Hard original leather)	4202.1190	4202.1190.2200	Other origins	35.28
15	Briefcases (artificial Leather)	4202.1190	4202.1190.2300	China	10.00
16	Briefcases (artificial Leather)	4202.1190	4202.1190.2400	Other origins	12.00
17	Laptop Bags (Fiber Body)	4202.1190	4202.1190.2500	China	5.72
18	Laptop Bags (Fiber Body)	4202.1190	4202.1190.2600	Other origins	6.85
19	Laptop Bags (Plastic Body)	4202.1190 4202.1290	4202.1190.2700 4202.1290.1400	China	5.35
20	Laptop Bags (Plastic Body)	4202.1190 4202.1290	4202.1190.2800 4202.1290.1500	Other origins	6.42
21	Laptop Bags (Soft original leather)	4202.1190	4202.1190.2900	China	18.60
22	Laptop Bags (Soft original leather)	4202.1190	4202.1190.3000	Other origins	22.32
23	Laptop Bags (Artificial Leather)	4202.1190	4202.1190.3100	China	4.70
24	Laptop Bags (Artificial Leather)	4202.1190	4202.1190.3200	Other origins	5.64

Table "B"

School Bags with and without Trolley of Textile Material, Parachute, PVC or PU Coating

S. No.	Description of goods	PCT	Proposed PCT for WEOC	Origins	Customs Values (C&F) US\$/PC
(1)	(2)	(3)	(4)	(5)	(6)
01	School Bags W/O trolley 12"	4202.1190	4202.1190.3300	China	1.06

		4202.1290	4202.1290.1600		
02	School Bags W/O trolley 12"	4202.1190 4202.1290	4202.1190.3400 4202.1290.1700	Other origins	1.27
03	School Bags With trolley 12"	4202.1190 4202.1290	4202.1190.3500 4202.1290.1800	China	1.53
04	School Bags With trolley 12"	4202.1190 4202.1290	4202.1190.3600 4202.1290.1900	Other origins	1.84
05	School Bags W/O trolley 14"	4202.1190 4202.1290	4202.1190.3700 4202.1290.2000	China	1.71
06	School Bags W/O trolley 14"	4202.1190 4202.1290	4202.1190.3800 4202.1290.2100	Other origins	2.05
07	School Bags With trolley 14"	4202.1190 4202.1290	4202.1190.3900 4202.1290.2200	China	2.48
08	School Bags With trolley 14"	4202.1190 4202.1290	4202.1190.4000 4202.1290.2300	Other origins	2.97
09	School Bags W/O trolley 16"	4202.1190 4202.1290	4202.1190.4100 4202.1290.2400	China	2.56
10	School Bags W/O trolley 16"	4202.1190 4202.1290	4202.1190.4200 4202.1290.2500	Other origins	3.08
11	School Bags With trolley 16"	4202.1190 4202.1290	4202.1190.4300 4202.1290.2600	China	3.71
12	School Bags With trolley 16"	4202.1190 4202.1290	4202.1190.4400 4202.1290.2700	Other origins	4.45
13	School Bags W/O trolley 18"	4202.1190 4202.1290	4202.1190.4500 4202.1290.2800	China	3.20
14	School Bags W/O trolley 18"	4202.1190 4202.1290	4202.1190.4600 4202.1290.2900	Other origins	3.84
15	School Bags With trolley 18"	4202.1190 4202.1290	4202.1190.4700 4202.1290.3000	China	4.64
16	School Bags With trolley 18"	4202.1190 4202.1290	4202.1190.4800 4202.1290.3100	Other origins	5.56
17	School Bags W/O trolley 20"	4202.1190 4202.1290	4202.1190.4900 4202.1290.3200	China	3.54
18	School Bags W/O trolley 20"	4202.1190 4202.1290	4202.1190.5000 4202.1290.3300	Other origins	4.25
19	School Bags With trolley 20"	4202.1190 4202.1290	4202.1190.5100 4202.1290.3300	China	5.13
20	School Bags With trolley 20"	4202.1190 4202.1290	4202.1190.5200 4202.1290.3400	Other origins	6.16
21	School Bags W/O trolley 22"	4202.1190 4202.1290	4202.1190.5300 4202.1290.3500	China	4.26
22	School Bags W/O trolley 22"	4202.1190 4202.1290	4202.1190.5400 4202.1290.3600	Other origins	5.11
23	School Bags With trolley 22"	4202.1190 4202.1290	4202.1190.5500 4202.1290.3700	China	6.17
24	School Bags With trolley 22"	4202.1190 4202.1290	4202.1190.5600 4202.1290.3800	Other origins	7.41

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 Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account air freight while applying the Customs values determined in this Ruling.

7. **Validity of 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.

8. **Review of the value determined vide this Valuation Ruling:** A review 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, 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 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 Directorate General immediately. Customs values determined the ruling are for the description and specification as mentioned in the tables of this Ruling. HS Codes are mentioned for illustrative purpose 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 of 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 IS of the Customs Act, 1969 or any other law in vogue therein.

10. This Valuation Ruling Supersedes Valuation Ruling No. 867/2016 dated 08-06-2016.

(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, Post Clearance Audit (PCA), Islamabad.
9. Director, Intelligence & Investigation, Karachi/ Lahore/ Islamabad/Quetta/ Peshawar/ Faisalabad.
10. The Project Director, WeBOC, 11th Floor, Custom House, Karachi.
11. Director, Customs Valuation, Custom House, Lahore.
12. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for deleting V.R. No. 867/2016 dated 08.06.2016 and values suggested vide VDB letter No. 20 dated 28.07.2016 from the system and uploading this Val. Ruling in One Customs & WeBOC database.
13. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
14. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
15. Customs Revenue Audit, 8th Floor, Custom House, Karachi.
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.