



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs,

- Model Customs Collectorates, Appraisement & Facilitation, East / West / Port Muhammad Bin Qasim / JIAP, Karachi / Hyderabad / Lahore / Faisalabad / Sambrial (Sialkot) / Islamabad / Peshawar / Quetta / Gwadar / Gilgit-Baltistan.
- Model Customs Collectorates, Enforcement & Compliance, Karachi / JIAP / AIIA / Lahore / Multan / Peshawar / Quetta.
- Model Customs Collectorates, Exports (Karachi / Port Muhammad Bin Qasim).



**DETERMINATION OF CUSTOMS VALUES OF LED BULB PARTS
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1440 / 2020)

No. Misc/68/2017-VII/ 12915

Dated: 25th February, 2020

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of LED Bulb Parts under respective PCT headings are determined as follows:-


**2. Background of the valuation issue:** Customs values of LED Bulb Parts were earlier determined through Valuation Ruling No. 1365/2019 dated 29-04-2019. Review applications were filed under Section 25D of the Customs Act, 1969 read with Chapter IX of Customs Rules, 2001 and the Director General Customs Valuation, while upholding the above Valuation Ruling observed, vide Order-in-Revision No. 16/2019 dated 21-10-2019, that the Director Customs Valuation may initiate working to determine the values of each parts and components in consultation with the stakeholders including the petitioners. Keeping in view the above facts, an exercise was initiated to re-determine the customs values of the subject goods under section 25A of the Customs Act 1969.

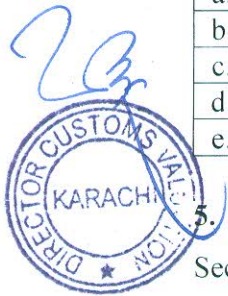
3. Stakeholders' participation in determination of values: Meetings with stakeholders were convened on 11-12-2019 and 17-12-2019. The participants were requested to submit following documents before or during the course of meeting so that customs values could be determined: -

- i. Invoices of imports during last three months showing customs 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 the last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

4. The representatives of manufacturers / assemblers namely, M/s Khyber Electric Lamps, M/s. Elite Screener, M/s. D.S. Technologies, M/s. SAZ, along with importers namely, M/s. Haadia Impax, M/s. Light Concerns, M/s. Osaka, M/s. Electronic Office Products, M/s. Pak Burma Traders, M/s. Chandana Traders, M/s. Lumilux Lighting, M/s. Kandy International, M/s. Dynamic Traders, M/s. Noman Traders, M/s. Signify Pak Ltd. and M/s. Islam Trading Company attended the meetings. Some participants submitted different documents to assist this Directorate General in re-determining the values of LED bulb parts. During the meeting the participants were requested to intimate the ratio as well as value of each component of LED bulb. The participants unanimously intimated weight as well as values of each component of an LED bulb i.e. 12 Watt, which are as under:

| | | | |
|----|--|--------------------------|----------|
| a. | Constant current Power Supply / Driver | 28% of value of LED bulb | 9 grams |
| b. | Metal Clad PCB for LED bulb | 32% of value of LED bulb | 6 grams |
| c. | Housing | 20% of value of LED bulb | 23 grams |
| d. | Shell Cover | 15% of value of LED bulb | |
| e. | Base Cap | 5% of value of LED bulb | 3 grams |



5. **Method adopted to determine Customs values:** Custom Valuation methods given in Section 25 of the Customs Act, 1969 were applied in sequential order to address the valuation issue at hand. Transaction value method under Sub-Section (1) of Section 25 of the Act *ibid* was found inapplicable because requisite information under the law was not available. Moreover, only few participants provided documents in this regard which were not sufficient to arrive at Customs value under said sub-section. Identical and similar goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969 provided some reference values but due to wide variation and suppressed declarations, the same could not be relied upon. Consequently, Deductive Value Method under Sub-Section (7) of Section 25 of the Customs Act, 1969, was applied keeping in view the values as given in a valid Valuation Ruling as well as import data to arrive at the assessable Customs values of the subject goods, being most appropriate for the purpose. All the information together was evaluated and analyzed for the purpose of determination of customs values.

