

*(This Ruling has been revised / superseded vide Valuation Ruling No. 1699/2022 dated 06-12-2022)*

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

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**The Collectors of Customs**, Collectorate of Customs, (Appraisement - East / West / Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad (Appraisement / Enforcement). Quetta / Gawadar / (Appraisement / Enforcement / AIIA) / Lahore / Appraisement, Faisalabad / Appraisement, Smbrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / Export (Appraisement / Enforcement), Peshawar / Enforcement, Dera Ismail Khan

**DETERMINATION OF CUSTOMS VALUE OF LADIES HAND BAGS, SHOULDER BAGS,  
PURSES AND CLUTCHES OF ARTIFICIAL LEATHER (LOW END BRAND) UNDER  
SECTION 25A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING NO. 1634/2022)**

C. No. Misc/25/2017-III/391

Dated: 20-04 -2022

In exercise of the powers conferred under Section 25A of the Customs Act. 1969, the custom value of Ladies Hand Bags, Shoulder Bags, Purses and Clutches Artificial Leather (Low end Brand) is determined as follows:

2. **Background of the valuation issue:** Earlier the customs values of Hand Bags, Shoulder Bags, Purses and Clutches of Artificial Leather (Low-end- Brand) were determined under section 25A of the Customs Act, 1969 customs values of vide Valuation Ruling No.1196/2017 dated 01-08-2017. An exercise was initiated in this Directorate General to determine customs values of subject goods in terms of Section 25A of the Customs Act. 1969.

3. **Stakeholders' participation in determination of Customs values:** Meeting with all stakeholders, trade bodies including representatives of clearance Collectorates were held in this Directorate General on 03-02-2022. The importers/stakeholders were requested to submit their proposals/suggestions as well as following documents before or during the course of stakeholders' meeting so that Customs value could be determined:

- i. Invoices of import during last three months showing factual values
- ii. Websites, names and E-mail addresses or 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 or item in question.
- iv. 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. The meeting was attended by stakeholders and their points of view were heard in detail to arrive at custom values of subject goods. None of the importers submitted any documents in support of their contention. Keeping in view the element of freight, import prices or raw materials and the values prevailing in the local and international market.

5. **Methods Adopted to Determine Customs Values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in the irregular sequential order to arrive at customs value of subject goods. The Transaction value method as provided in subsection (1) of Section 25 of the Customs

Act. 1969 was found inapplicable because no substantial documents were provided by the stakeholders to prove that their declared values were true transactional values. Moreover, different values were declared by different importers for same product according to different origins. Identical/similar goods value methods provided in Sections 25 (5) & (6) *ibid* were examined for applicability to determine customs values of subject goods. The data provided some references: however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidence of qualities and quantities of commercial level etc. Information available was hence, found inappropriate, In line with statutory sequential order of section 25, this once conducted market inquiries using deductive value methods under sub-section (7) of Section 25 of the Customs Act, 1969, item was not readily available in the market, therefore, this method of valuation could not be relied upon due to aforesaid reasons. Valuation method vide Section 25(8) of the Customs Act. 1969, was examined for valuation but the same also could not be applied due to non availability of conversion and processing cost of exporting country finally, clearance data, raw material prices, international prices through internet were examined thoroughly and the information so gathered were utilized and analyzed for determination of Customs Values of Hand Bags, Shoulder Bags, Purses And Clutches of Artificial leather (Low end Brand) under Section 25(9) of the Customs Act. 1969.

**6. Customs values for Hand Bags, Shoulder Bags, Purses And Clutches Of Artificial Leather (Low end Brand)- hereinafter specified** shall be assessed to duty / taxes on the Customs values mentioned against them in the Table below:

S.No	Description of Goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value. (C&F)/Piece
(1)	(2)	(3)	(4)	(5)	(6)
1	Ladies Hand Bags / Shoulder bags /, Purses made of artificial leather (Low end Brand and not genuine or composition leather)	4202.2200 4202.2900	4202.2200.1000 4202.2900.1000	China	US\$ 55.6/doz or US\$ 4.64/pc
2	Ladies Clutches and wallets made of Artificial Leather (Low end Brand and not genuine or composition leather)	4202.2200 4202.2900 4202.3200 4202.3900	4202.2200.1100 4202.2900.1100 4202.3200.1000 4202.3900.1000	China	US\$ 27/doz or US\$ 2.25/pe
<b>Note 1:</b> This Valuation Ruling is only for hand bags / shoulder bags / purses / clutches and wallets, made of artificial leather only (i.e. not genuine or composition leather)					
<b>Note 2:</b> this Valuation Ruling is only for low end brands and not applicable for branded goods like Kate spade, Celine, Stella, McCartney, Valentino, Long Champ, Mango, Next, Nine West, Chanel Christian, Dior, Bottega, Venetta, Jimmy Choo, Michael Kors, Ralph, Laure, Salvatore Ferragamo, Louis, Vuitton, Furia, Gucci, Stylo, Manolo, Blahnik, Burberry, Miu Miu, Coach, Anne Klien, Cartier, Marc Jacobs, DKNY, Hermes, Lacoste, Versace, YSL, Doler, & Ciabbana, Alexander, Mc Queen, Bally, Loewe, Mulberry. Givenchy, Liz Clariborne, Fendi, Prada, Van Cleef & Arples, Charles and Keith, Faith, Zara, Stylo, Guess and others High-end-brands. The clearance Collectorate shall assess the same under section 25A of the Customs Act, 1969.					

**7.** In cases where declared/transaction values are higher than the customs values determined in this Ruling or higher evidential data is available of stipulated period 90 days, the assessing officers shall apply those values in terms of sub-Section (1) of Section 25 of the Customs Act, 1969. and the same may be communicated to this Directorate General forthwith. In case of consignment imported by air the assessing officer shall take into account the difference between air freight and sea freight while applying the customs values determined in this Ruling.

8. **Validity of Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs values for assessment or subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (4) of Section 25-A or the Customs Act, 1969.

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, before the Director General, Directorate General Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.

10. The Collectors or 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 in the ruling are for the description and specification as mentioned in the above table 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 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.

**(Syed Fawad Ali Shah)**  
**Director**

Copy for information to:-

- 1) The Member Customs (Policy/Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector or Customs, Appraisement (South) Custom House, Karachi.
- 4) The Chief Collector or Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisement (Central), Custom House, Lahore.
- 6) The Chief Collector or Customs, Enforcement (Central), Custom House, Lahore.
- 7) The Chief Collector of Customs, (North), Custom House, Islamabad.
- 8) The Chief Collector of Customs Balochistan, Custom House, Quetta.
- 9) The Chief Collector of Customs Khyber Pakhtunkhwa, Custom House, Peshawar.
- 10) The Director General, Intelligence and Investigation-FBR, Islamabad.
- 11) The Director General, PCA & Internal Audit, Karachi.
- 12) The Director General, IOCO, Karachi.
- 13) The Director General, Transit Trade, Custom House Karachi.
- 14) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad.
- 15) The Director, Transit Trade, Custom House Karachi.
- 16) The Director, Directorate of Customs Valuation, Lahore.
- 17) The Deputy Director (HQ), Directorate General or Customs Valuation, Karachi for uploading in One Customs & WBOC database system.
- 18) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 19) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 20) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 21) The Webmaster, Federal Board of Revenue, Islamabad.
- 22) Guard file.