

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

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

**DETERMINATION OF CUSTOMS VALUES OF WRIST WATCHES (LOW-END BRAND
UNDERSECTION 25A OF THE CUSTOMS ACT 1969**

(VALUATION RULING NO.1635/2022)

No. Misc.DG/VDB/REF/176/2017/IX/392

Dated: 21-04-2022

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Wrist Watches (Low-End Brand) are determined as follows: -

2. Description of the valuation issue: it was brought to the notice of the Directorate General that value of wrist watches (Low and Brands) are being declared to customs at much lower values than their current international values in absence of Valuation Ruling in the field. Verification by this Directorate General reaffirmed this stance. Keeping in view this prevailing price of the subject goods, an exercise for determination of the Customs Values of Wrist Watches (Low-end Brands) in terms of under Section 25A of the Customs Act, 1969.

3. Stakeholder's participation in determination of Customs values: Meeting were held with stakeholders on 14-04-2022. Meeting was attended by different stakeholder including importers and representatives from trade bodies. All stakeholders have been requested to submit the following documents before or during the course of stakeholders' meetings:

- i. Invoices of imports during the 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 the item in question.
- iv. Copies of Sales fax Invoices issued during the last four months showing the values of supplies (excluding duty and taxes) to substantiate their contentions.

In spite of lapse of considerable time, no documents or evidence, as requisitioned, were submitted, importers abstained from participating in the proceedings. Discussions were held with representatives of the clearance Collectorates. Keeping in view the element or freight, import prices of raw materials and the values prevailing in the local and international market.

4. Method adopted to determine Customs values: Methods Adopted to Determine Customs Values: Valuation methods provided in Section 25 of the Customs Act, 1969, were duly applied in their regular sequential order to arrive at customs value of subject goods. The Transaction value method as provided in sub-section (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 office 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 Custom Values of Wrist Watches (Low-End-Brand) under Section 25(9) of the Customs Act, 1969.

5. Customs Values of Wrist Watches (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	Specification	PCT	Proposed PCT for WEOC	Origin	Customs Value (C&F) (US\$/Pe)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Wrist Watches (Low-end Brands) Quartz /LCD	Metal Body with Artificial Leather Strap	9102.1900 9102.2900	9102.1900.1000 9102.2900.1000	China	4.00
2		Metal Body with Metal Chain		9102.1900.1100 9102.2900.1100		6.6
3		Metal Body with Plastic Strap		9102.1900.1200 9102.2900.1200		3.35
4		Plastic Body		9102.1900.1300 9102.2900.1300		1.50
5		Smart Watches		9102.1900.1400 9102.2900.1400		4.50
Note: Above values are not applicable on known brands like Casio, Citizen, Roamer, Alba, Seiko, Omax, Onyx, Westar, Favour Luba, Rolex, Rado, Calvin (CK) Tissot, Titan, Raymond Well, Swatch, Tag Heuer, Cartier, Baunce & Mercier, (B&M), Sonex, Longines, Forecer21, Prestige, etc.						

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 25A of the Customs Act, 1969.

8. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25D 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 this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the table above 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 of Customs, South (Appraisalment), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Chief Collector of Customs, (Enforcement), Custom House, Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, PCA& Internal Audit, Karachi.
10. The Director General, IOCO, Karachi
11. The Director General, Transit Trade, Custom House, Karachi
12. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar / Faisalabad.
13. The Director, Transit Trade, Custom House Karachi
14. The Director, Directorate of Customs Valuation, Lahore.
15. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
16. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
17. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
18. The Karachi Customs Agents Group, Bohri Road, Karachi.
19. The Webmaster, Federal Board of Revenue, Islamabad.
20. Guard File.