GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI
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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 / Giligit - Baltistan / (Appraisement Enforcement), Peshawar / Enforcement, Dera Ismail Khan.

DETERMINATION OF CUSTOMS VALUE OF HANGER CLIPS (PCT CODE 7326.9060) UNDER DECTION 25A THE CUSTOMS ACT, 1969.

(VALUATION RULING NO. 1678 /2022)

DIRECTOR CUSTOMS VALUATION KARACHI

File No. Misc/04/2022-VI-/719,

Dated: - 22-07-2022

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs value of Hanger Clips is determined as follows: -

2. **Background of the valuation issue:** An exercise was conducted in this Directorate General of Customs Valuation for identification of new commodities on which no Valuation Ruling exists and which are prone to international price fluctuations. Therefore, an exercise was initiated for determination of Custom values of Hanger clips according to trends prevailing in the international prices, in terms of Section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs value:** Meetings with stakeholders was held on 09-06-2022. The importers contended that the goods are sold at industrial level and are prepared according to industrial specifications. As such manufacturing costs are high. The importers contended that declared values of the goods may be accepted. The importers were requested to submit the following documents so that correct customs values could be determined: -

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
iii) Question through which the actual current value can be ascertained.
iv) Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
v) Copies of Sales Tax Invoices issued during last four months showing the difference e in price (excluding duty and taxes) to substantiate that the benefit of different in price is passed on to the local buyers.

4. **Method adopted to determine Customs value:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. Transaction value method provided in Section 25 (1) of the Act ibid was found inapplicable because the required information under the law was not available. Identical and Similar goods valuation methods provided some reference values but could not be relied upon due to variation in data. Market enquiry as envisaged under Sub- Section (7) of Section 25 of the Customs Act, 1969 was conducted but could yield no results as prices varied accordingly to selling point in the market. Online values were also checked. Since the manufactures costs and raw material prices of producing the goods in question in the country of exportation were not available. Computed value method as provided in Section 25 (8) could not be applied for valuation of the aforesaid goods. London Metal Exchange (LME) Prices of CRC were checked from the London Metal Bulletin (LMB), within the meanings of proviso to sub-section (1) of Section 25A ibid, inserted vide Finance Act, 2021. 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 value of Hanger Clips.

5. **Customs values for Hanger Clips**: Hanger Clips ***hereinafter specified*** shall be assessed to duty / taxes at the following Customs Value:

S.No	Description of Goods	PCT CODE	Proposed PCT CODE for WeBOC	Origin	Customs Value (C&F) US$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Hanger Clips	7326.9060	7326.9060.1000	China	2.15
			7326.9060.1100	Other Origins	2.58

6. The assessing officers shall take into account first proviso to the subsection 2 of section 25A of the Customs Act,1969 which states *"provided that where the value declared in a goods declaration, filed under section 79 or section 131 or mentioned in the invoice retrieved from consignment, as the case maybe, is higher than the value determined under subsection (1), such higher value shall be the customs value"*. 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-Section (4) of Section 25A of the Customs Act, 1969, read with Rule 107(a), Chapter IX, of the Customs Rules, 2001.

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 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 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 for redressal. Customs values determined in the ruling are for the description and specification as mentioned in the tables above of this Ruling. PCT Codes are mentioned for illustrative purposes 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.

(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 (Appraisement), 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 / Peshawar / Quetta.
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.