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 Wrist Watches (Low-Brands) Under Section 25-A of the Customs Act, 1969

VALUATION RULING NO. 1315 / 2018

C.No.DG/VDB/REF/176/2017/1234 Dated: August 15, 2018

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

2. **Background of the valuation issue:** It was brought to the notice of this Directorate General that values of Wrist Watches (Low-end Brands) are being declared to Customs at much lower values than their current international values. Verifications by this Directorate General reaffirmed this stance. Keeping in view the prevailing prices of the subject items, this Directorate General initiated an exercise for determination of the Customs values of Wrist Watches (Low-end Brands) in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Numerous meetings culminating on 17-07-2018 were held with stakeholders including importers and representatives from field formations to discuss the current international prices of the subject goods. The importers / stakeholders were requested to submit the following documents before or during the course of stakeholders' meetings to help in determination of customs values:

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 four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

4. In spite of lapse of considerable time, no documents or evidences, as requisitioned, were submitted. Importers abstained from participating in the proceedings. Discussions were held with representatives of the clearance Collectorates.

5. **Method adopted to determine Customs Values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their sequential order to arrive at customs values of subject goods. The transaction value method as provided in Sub-Section (1) of Section 25 of the Customs Act, 1969 was found inapplicable due to wide variations in

declarations and incomplete description of specifications/brands. Hence requisite information required under law was not available. Identical / similar goods value methods provided in Sub-Section (5) & (6) of Section 25 of the Customs Act, 1969 provided some reference values but due to wide variations in the declarations the same could not be relied upon exclusively. Information available was hence, found inappropriate. In line with the statutory sequential order of Section 25, this office conducted market inquiries under Sub-Section (7) of Section 25 of the Customs Act, 1969. As there were differences in prices owing to different specifications therefore, a number of surveys were conducted to arrive at customs values. Resultantly, Customs values of Wrist Watches (Low-end Brands) have been determined under section 25 (7) of the Customs Act, 1969.

6. **Customs values for Wrist Watches (Low-end Brands)** ***hereinafter specified*** shall be assessed to duty/taxes at the following Customs Values:

S#	Description of goods	Specification	Origin	PCT	Proposed PCT for WeBOC	Customs Values C&F US$/Pc
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Wrist Watches (Low-end Brands) Quartz /LCD	Metal Body with Artificial Leather Strap	China	9102.1900 9102.2900	9102.1900.1000 9102.2900.1000	4.70
		Metal Body with Metal Chain			9102.1900.1100 9102.2900.1100	8.25
		Metal Body with Plastic Strap			9102.1900.1200 9102.2900.1200	3.15
		Plastic Body			9102.1900.1300 9102.2900.1300	1.50
Note: Above values are not applicable on known brands like Casio, Citizen, Roamer, Alba, Seiko, Omax, Onyx, Westar, Favour Luba, Rolex, Rado, Calvin Klein (CK), Tissot, Titan, Raymond Well, Swatch, TahHeur, Cartier, Baunce & Mercier (B&M), Sonex, Longines, Forever21, Prestige, etc.						

DIRECTOR CUSTOMS VALUATION KARACHI

7. 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 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 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.

8. **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-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

9. **Revision of the Value Determined vide this Valuation Ruling:** This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, under Section 25-D 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.

10. The Collectors of Customs may kindly ensure that the values given in the 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. The Customs values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein, HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling requisite formalities relating to importability or other certifications 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 of the Customs Act, 1969 or any other law in vogue therein.

(Muhammad Iqbal Muneeb)
Director

Copy for information to:

1. The Member (Customs), 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 Director General, Intelligence and Investigation-FBR, Islamabad.
8. The Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building,
    a. Mauj-e-Darya Road, Lahore.
9. The Director General, Post Clearance Audit (PCA), Islamabad.
10. The Director General, Internal Audit (Customs), Karachi.
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta
    a. Peshawar/ Faisalabad.
12. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. The Karachi Customs Agents Group, Bohri Road, Karachi.
19. The CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC,
21. Appraisement, 1st Floor, Custom House, Karachi.
22. Guard File.