



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

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The Collector of Customs, Collectorate of Customs (Appraisalment -West / Appraisalment -East / Appraisalment - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi /Hyderabad / (Appraisalment / Enforcement),Quetta / Gawadar / (Appraisalment / Enforcement / AIIA), Lahore / Appraisalment, Faisalabad / Appraisalment, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisalment / Enforcement),Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim / Custom House Karachi) / Transit Trade, Karachi.

**DETERMINATION OF CUSTOMS VALUE OF HOOK AND LOOP**  
**UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING NO 1616 /2022)**

No. V.Khi/10/H&L/25A/IV/308.

Dated: 25-03-2022



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs value of Hook and Loop is determined as follows:

2. **Background of the valuation issue:** Earlier, the Customs value of Hook and Loop was determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No. 1512/2021 dated 08-02-2021, which was set-aside by the Director General of Customs Valuation vide Order in Revision No.48/2021 dated 18-11-2021 with the directions *to determine the Customs values of Hook and Loop in a manner which discourages mis-declaration in type of hook/loop i.e. made of Nylon or Polyester.* Accordingly, an exercise was initiated by this Directorate General to re-determine Custom values of subject goods in terms of Section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were held in this Directorate General on 02-02-2022 and 17-02-2022. 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 values could be determined:

- i. Invoices of import during last three months showing factual values
- 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 that the benefit of difference in price is passed on to the local buyers.

4. The meetings were attended by the traders/importers. The traders contended that the variation in the prices determined vide VR No.1512/2021 dated 08-02-2021 in respect of Nylon-based items and Polyester-based items was significant enough to encourage the importers to misdeclare their goods in favour of the latter type of items. It was further added that difference

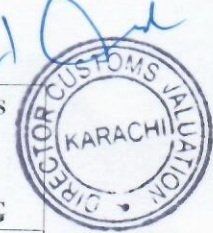


between various types of velcro tape should reflect market reality and discourage mis-declaration at the assessment stage. Their view points were heard in detail to arrive at Customs value of subject goods. However, they failed to provide requisite documents.

5. **Methods adopted to determine Customs value:** 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 due to wide variation of values in import data. Moreover, the requisite information under law was not available to arrive at correct transaction value. Therefore, identical/similar goods value methods provided in Sections 25 (5) & (6) *ibid* were examined for applicability to determine Customs value 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 type/kinds, qualities and quantities, variation in declaration, variety and specifications. Information available was, hence, found inappropriate. In line with statutory sequential order of Section 25, this office conducted market inquiries under sub-Section (7) of Section 25 of the Customs Act, 1969. The prices of hook and loop varied significantly and were heavily dependent on quality/kind of Hook and Loop and the location of the selling points or shops in the city. Hence this method of valuation could not be relied upon due to aforesaid reason. 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. Consequently, Fall Back method as provided under Section 25(9) of the Customs Act, 1969 was applied to arrive at assessable value of Hook and Loop.

6. **Customs value for Hook and Loop:** Customs value of Hook and Loop hereinafter specified shall be assessed to duty/taxes at the following minimum Customs value:

| S. No. | Description of Goods | Origin     | PCT Code  | Proposed PCT for WeBOC | Customs Value (C&F) USS /KG |
|--------|----------------------|------------|-----------|------------------------|-----------------------------|
| (1)    | (2)                  | (3)        | (4)       | (5)                    | (7)                         |
| 1      | Hook and Loop        | All Origin | 5806.3200 | 5806.3200.1000         | 5.27                        |



7. In cases where declared values are higher than the Customs value 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. 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 value in this Ruling.

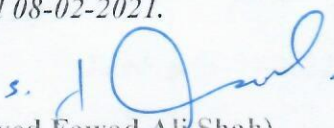
8. **Validity of Valuation Ruling:** The value determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of sub-Section (4) of Section 25A of the Customs Act, 1969.



9. **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, 7<sup>th</sup> Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the value given in this Valuation Ruling for the given description of goods is applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of Directorate General immediately. The Customs value determined in the ruling are for the descriptions and specifications as mentioned in the above table of this Ruling. PCT 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 all formalities related to importability or any other certifications required thereon.

11. *This ruling supersedes Valuation Ruling No.1512/2021 dated 08-02-2021.*

  
(Syed Fawad Ali Shah)  
Director

Copy for information to: -

- 1) The Member Customs (Policy/Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, Appraisalment (South) Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisalment (Central), Custom House, Lahore.
- 6) The Chief Collector of Customs, Enforcement (Central), Custom House, Lahore.
- 7) The Chief Collector of Customs (North), Custom House, Islamabad.
- 8) The Chief Collector of Customs Baluchistan, 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 of Customs Valuation, Karachi, for uploading in One Customs & WEBOC 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.