

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 Muhammad Bin Qasim/ Custom House), Karachi.

DETERMINATION OF CUSTOMS VALUES OF STATIONERY ITEMS UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO. 1684-12022)

No.Misc/06/2019-IX/732.

Dated: 28-07-2022



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Stationery Items are determined as follows:

2. Background of the valuation issue: Earlier the Customs values of Stationery Items were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No. 1598/2022 dated 04-02-2022. The Valuation Ruling was set aside vide Order in Revision No. 47/2022 dated 31-05-2022 under Section 25D of the Act, with the directions to redetermine the customs values of subject items under Section 25A of the Act, especially in line with the prevalent international prices. In view of the foregoing, an exercise was under taken by the Directorate General of Customs Valuation to re-determine the customs values of subject goods in terms of Section 25A of the Act.

3. Stakeholders' participation in determination of Customs values: Meeting was held on 29-06-2022, which was attended by various stakeholders including the representatives of trade bodies i.e. FPCC&I & KCC&I GCC&I, QCC&I, importers as well as representatives of Clearance Collectorates. All the participants were requested to submit 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 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. During the meeting M/s Dollar Industries and others were against the enhancement of customs values recommending keeping them static. The importers advocated downward revision. Those in favour of keeping them static or downward revision argue that the existing values are mostly on higher side and fluctuation in raw material prices used in stationery items such as pencils, pens, markers, crayons, oil colours, writing inks etc. is marginal or meager, if at all. They further argue that most of the subject items are essential educational stationery and are consumed on daily basis by students and poor masses, therefore, it would not be appropriate to unduly jackup their cost by burdening them for unjustified reasons.

5. **Method adopted to determine Customs values: Methods Adopted to Determine Customs Values:** Valuation methods provided in Section 25 of the Act, 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 Act, 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 for using deductive value methods under sub-section (7) of Section 25 of the Act. Finally, reliance had to be made on sub Section (7) of Section 25 of the Act, to determine customs values of the subject goods.

6. **Customs values Stationery Items hereinafter specified** shall be assessed to duty / taxes on the following minimum Customs Values: -

S. No.	Description of goods	PCT	WeBOC	Origin	Customs Values (C&F US\$) per piece
(1)	(2)	(3)	(4)	(5)	(6)
1	Ball Point Pens (Excluding Gel Pen and Roller Pen)	9608.1000	9608.1000.1000	China / Vietnam	0.09
			9608.1000.1100	Europe/ Japan/ USA/ Canada	0.13
			9608.1000.1200	Other Origins	0.11
2	Markers all types (Except paint and drawing markers)	9608.2000	9608.2000.1000	China / Vietnam	0.17
			9608.2000.1100	Europe/ Japan/ USA/ Canada	0.35
			9608.2000.1200	Other Origins	0.26
3	Paint & Drawing Marker	9608.2000	9608.2000.1300	China / Vietnam	0.28
			9608.2000.1400	Europe/ Japan/ USA/ Canada	0.63
			9608.2000.1500	Other Origins	0.48
4	Highlighters	9608.2000	9608.2000.1600	China / Vietnam	0.16
			9608.2000.1700	Europe/ Japan/ USA/ Canada	0.26
			9608.2000.1800	Other Origins	0.23
5	Fine Liner Pens	9608.2000	9608.2000.1900	China / Vietnam	0.16
			9608.2000.2000	Europe/ Japan/ USA/ Canada	0.28
			9608.2000.2100	Other Origins	0.18
6	Fountain Pen with Plastic cap	9608.3000	9608.3000.1000	China / Vietnam	0.18
			9608.3000.1100	Europe/ Japan/ USA/ Canada	0.47
			9608.3000.1200	Other Origins	0.28
7	Roller Pen	9608.2000	9608.2000.2200	China / Vietnam	0.23
			9608.2000.2300	Europe/ Japan/ USA/ Canada	0.28
			9608.2000.2400	Other Origins	0.26
8	Gel Pen	9608.2000	9608.2000.2500	China / Vietnam	0.16
			9608.2000.2600	Europe/ Japan/ USA/ Canada	0.20
			9608.2000.2700	Other Origins	0.18
9	Fiber Tip Coloring Pen with water base ink for student use excluding Fine Liner Pen, Permanent Markers, White Board Markers, Highlighters & Gel Pen etc.	9608.2000	9608.2000.2800	China / Vietnam	0.08
			9608.2000.2900	Europe/ Japan/ USA/ Canada	0.14
			9608.2000.3000	Other Origins	0.11
10	Pen with Tips on Both Sides	9608.2000	9608.2000.3100	China / Vietnam	0.17
			9608.2000.3200	Europe/ Japan/ USA/ Canada	0.32
			9608.2000.3300	Other Origins	0.26



11	Fountain Pen with Metal cap	9608.3000	9608.3000.1300	China / Vietnam	0.24
			9608.3000.1400	Europe/ Japan/ USA/ Canada	0.56
			9608.3000.1500	Other Origins	0.37
12	Colour Pencils in cardboard Box packing (Half size)	9609.1000	9609.1000.1000	China	0.0150
13	Colour pencils in Metals Box Packing (Half Size)		9609.1000.1100	Other Origins	0.0225
			9609.1000.1200	China	0.0215
14	Colour pencils in Cardboard Box Packing (Full Size)		9609.1000.1300	Other Origins	0.0311
			9609.1000.1400	China	0.0294
15	Colour pencils in Metals Box Packing (full Size)		9609.1000.1500	Other Origin	0.0426
			9609.1000.1600	China	0.040
16	Colour Pencils in Bulk packing (Half Size)		9609.1000.1700	Other Origins	0.05568
			9609.1000.1800	China	0.012
17	Colour Pencils in Bulk packing (Full Size)		9609.1000.1900	Other Origin	0.0165
			9609.1000.2000	China	0.0264
18	Black Lead pencils with or without Rubber Tip in bulk packing		9609.1000.2100	Other Origin	0.0370
			9609.1000.2200	China	0.024
19	Black Lead pencils with or without Rubber Tip in retail packing		9609.1000.2300	Other Origin	0.036
			9609.1000.2400	China	0.026
20	Raw Pencils (Black Lead) Without polish paint		9609.1000.2500	Other Origin	0.039
		9609.1000.2600	All Origins	0.022	
21	Crayons	9609.1000.2700	China	0.40 / Packet 12 Small size	
		9609.1000.2800	Other Origins	0.48 / Packet 12 Small size	
		9609.1000.2900	China	0.60 / Packet 12 Large size	
		9609.1000.3000	Other Origins	0.73 / Packet 12 Large size	
22	Oil Pastels	9609.1000.3100	China	0.32 / Packet 12 Small size	
		9609.1000.3200	Other Origins	0.38 / Packet 12 Small size	
		9609.1000.3300	China	0.46 / Packet 12 Large size	
		9609.1000.3400	Other Origins	0.56 / Packet 12 Large size	
23	Writing/Drawing Board (Black/White)	9610.0000.1000	China	0.65 / Small size	
		9610.0000.1100	Other Origins	0.65 / Small size	
		9610.0000.1200	China	1.10 / Large size	
		9610.0000.1300	Other Origins	1.10 / Large size	



Note: This Valuation Ruling does not apply to the high-end brands like Parker, Sheaffer, Mont Blanc, Cross, Waterman, Sailor, Lamy, Aurora and other equivalent brands.


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 Act. 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-Section (4) of Section 25A of the Act.

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 Act, within 30 days from the date of issuance 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 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 above table of this Ruling. HS 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 Act, or any other law in vogue therein.

11. *This ruling supersedes Valuation Ruling No. 1598/2022 dated 04-02-2022.*


(Syed Fawad Ali Shah)
Director

Copy for information to: -

1) The Member Customs (Policy/Operations), Federal Board of Revenue, Islamabad.