

## Artificial leather items' customs value revised

Directorate General Customs Valuation (DGCV) has revised the customs values of ladies purses, clutches and other items which are made of artificial leather under section 25 (9) of the Customs Act, 1969. A reference was received from the Model Customs Collectorate (MCC) Appraisement, Lahore, for determination of customs value of ladies hand bags, shoulder bags, purses and clutches (low-end brands) made of artificial leather under section 25-A of Customs Act, 1969.

For the purpose, stakeholders' meetings were held on April 26, May 10 and July 27, 2017. The meeting on July 27 was attended by the importers as well as representatives of the clearance Collectorate where all participants were requested to submit relevant documents.

However, the requisitioned documents were not submitted by the participants. The importers contended that their declarations were correct and reflective of prices prevalent in the international market. All aspects pertaining to the value of subject goods were discussed in detail and input was obtained from all stakeholders.

Later, the valuation methods given in the section 25 of the Customs Act, 1969, were followed. Transaction value method provided in the section 25 (1) was found inapplicable because the requisite information was not available as per law. The identical goods value methods provided in section 25(5) and (6) were also not found helpful in determination of values due to wide variation in values. Consequently, market enquiries as envisaged under section 25 (7) of the Customs Act, 1969, were conducted.

Since the manufacturers' 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. Online values were also checked.

Later, all gathered information was evaluated and consequently, the customs values of ladies hand bags, shoulder bags, purses and clutches (low-end brands) made of artificial leather were determined under section 25 (9) of the Customs Act, 1969.

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