

(This Ruling has been revised / superseded vide Valuation Ruling No. 1289/2018, dated 19-04-2018)

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

The Collectors of Customs, Model Customs Collectorates, Appraisement (East / West) / Port Muhammad Bin Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Peshawar / Gawadar / Gilgit-Baltistan.

**Determination of Customs Values of Mineral Grease (H.S. Code 2710.1992)
under Section 25-A of The Customs Act, 1969**

(VALUATION RULING No. 830/2016)

No. Misc/14/2013-I/8728

Dated: 12-04-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Mineral Grease determined as follows:-

2. Background of the valuation issue: The Customs Values of Mineral Grease were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No. 331/2011 dated 02-06-2011. Since the said Ruling was considerably old and needed updating to reflect current international prices, the same was taken up for fresh determination.

3. Method adopted to determine Customs values: Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue at hand. Transaction Value Method under Sub-Section (1) of Section 25 of the Act, 1969 was found inapplicable because required information under the law was not available. The import data of the relevant period, pertaining to instant goods of Saudi Arabian, U.A.E., Korean and Chinese origins was analyzed to determine Customs Value under Sections 25(5) and (6) of the Customs Act, 1969. The declared / assessed prices of Mineral Grease from Saudi Arabia, U.A.E., Korea and China origins were analyzed and much variation was observed, the data provided some references however, it was found that the same cannot be solely relied upon due to absence of absolute demonstrable evidence of qualities, commercial levels etc and also it was observed that importers usually provide misleading descriptions while declaring their goods, as other types and varieties of similar goods to avoid the valuation ruling. Information available was hence found inappropriate and insufficient for correct determination of value. Market enquiry for application of deductive methods of valuation under section 25(7) of the Customs Act, 1969 was then carried out for verification / determination of Customs values of various kinds of Mineral Grease. It was found that two brands of Chinese and Korean origin i.e. "Sinopec" and "Zic" are known brands and their market values are higher than other brand of same origin. However, determination of Customs values of all types of Mineral Grease could not be based solely upon this method either. As regards 25(8) of the Customs Act, 1969 since detail of conversion cost of goods produced in the country of export are not available, the provision was not found applicable. Based upon these findings, with particular emphasis upon the change in prices reflected in specific categories/grades, Customs values of Mineral Grease (H.S. Code 2710.1992) are determined under section 25(9) of the Customs Act 1969.

4. Stakeholders' participation in determination of Customs values: Meeting with stakeholders including importers, and representatives of trade bodies was held on 05.04.2016 to discuss the current international prices of the subject goods. The view point of all participants was heard in detail and considered to arrive at fair value.

5. Customs values for: Mineral Grease hereinafter specified shall be assessed to duty/taxes at the following Customs Values:-

S. No.	Description of goods	origin	PCT Code	Proposed PCT for WEBOC	Determined values under Section 25-A, in packing up to 5 kg or less US\$/Kg	Determined values under Section 25-A, in packing more than Kg. US\$/Kg
1.	Mineral grease Lithium based, M.P (Multi Purpose) NLGI 000 to 6, excluding SINOPEC brand Grease china and ZIC brand Grease	China/India	2710.1992	2710.1992.1000	1.43	1.40
		Korea	2710.1992	2710.1992.1100	1.43	1.40
		UAE	2710.1992	2710.1992.1200	1.43	1.40
		Saudi Arabia	2710.1992	2710.1992.1300	1.43	1.40
		Other origins	2710.1992	2710.1992.1400	1.87	1.84
2.	Mineral grease Lithium based, M.P (Multi Purpose) NLGI 000 to 6, excluding SINOPEC brand	China	2710.1992	2710.1992.1500	1.80	1.77
3.	Mineral grease Lithium based, M.P (Multi Purpose) NLGI 000 to 6, excluding ZIC brand	Korea	2710.1992	2710.1992.1600	1.90	1.87
4.	Mineral grease Lithium based, (Extreme Pressure) NLGI 000 to 6.	All Origins	2710.1992	2710.1992.1700	2.00	1.97
5.	Mineral grease Lithium based, (High Temperature) NLGI 000 to 6.	All Origins	2710.1992	2710.1992.1800	2.00	1.97
6.	Mineral grease Lithium based Ind. (Industrial).	All Origins	2710.1992	2710.1992.1900	2.10	2.07
7.	Mineral grease Molybdenum based H.T (High Temperature) NLGI 2 and 3.	All Origins	2710.1992	2710.1992.2000	2.50	2.47
8.	Mineral grease Molybdenum based Ind. (Industrial) NLGI 2 and 3.	All Origins	2710.1992	2710.1992.2100	2.50	2.47
9.	Mineral grease Bentonite H.T (High Temperature) NLGI 2 and 3.	All Origins	2710.1992	2710.1992.2200	2.30	2.27
10.	Mineral grease Bentonite Ind. (Industrial) NLGI 2 and 3.	All Origins	2710.1992	2710.1992.2300	2.30	2.27
11.	Mineral grease Calcium based manufactured from crude oil	Iran via Sea route	2710.1992	2710.1992.2400	0.33	0.30
12.	Mineral grease Calcium based manufactured from crude oil	Iran via land route	2710.1992	2710.1992.2400	0.29	0.26
13.	Mineral grease Calcium	All other	2710.1992	2710.1992.2500	0.90	0.87

	based manufactured from crude oil	Origins				
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6. 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. Transactional value under Section 25(1) of the Custom Act 1969 shall be applied to the imports made by the manufacturers of branded Mineral Grease of Shell, Total, Caltex, Exxon, B.P, Mobil, Fuesh and SKF brand. If Mineral Greases of aforesaid brands are imported by anyone other than the manufacturer itself than assessment shall be made at par in accordance with the transactional values of manufacturer's of the respective brand. 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-Sections (1) or (3) of Section 25-A or section 25-D of the Customs Act, 1969.

8. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25-D of the Customs Act, 1969, 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.

9. 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 this Directorate General immediately for redressal.

10. This Ruling Supersedes Valuation Ruling No. 331/2011 dated 02-06-2011.

(DR.WASIF ALI MEMON)

Director

Copy for information to:-

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore,
9. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General Internal Audit, (Customs), Islamabad.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/Peshawar/ Faisalabad,
12. Director Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, to replace the old Valuation Ruling No. 331/2011 dated 02-06-2011 and for uploading this Ruling in the system.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. 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. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor. Custom House, Karachi / MCC, Appraisement, 1st Floor, Custom House, Karachi.
21. Guard File