

(This Ruling has been superseded vide Valuation Ruling No. 989/2016 dated 7-12-2016)

**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 BLEACHED/UNBLEACHED KRAFT
LINER BOARD UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING No. 833/2016)

No. Misc/08/2013-III/8805

Dated: 19-04-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969 the Customs values of Bleached/Unbleached Kraft Liner Board & Paper are determined as Follows:-

2. Description of the valuation issue: The Customs value of Bleached/Unbleached Kraft Liner Board and Unbleached Sack Kraft Paper were determined under Section 25-A of the Customs Act, 1969, vide Valuation Ruling No.721/2015 dated 17.02.2015. In this context, the All Pakistan Papers Merchants Association has requested for revisiting tile above mentioned Ruling to reflect the current prices prevalent in international market Accordingly an exercise was undertaken to examine contents of the association's request and to determine the Customs values of the subject goods in the light prevailing international market prices.

3. Method adopted to determine customs values: Valuation methods provided in Section 25 of the Customs Act, 1969 were duly followed and applied sequentially to address the valuation issue at hand. Transaction value method provided in Sub-Section (1) of Section 25 was found inapplicable because it is generally known to all that majority of invoices produced at import stage are manipulated/fabricated and hence the requisite information required under the law was not available to arrive at the correct transaction value. Identical/similar goods value method provided in Sub-Sections (5)&(6) of Section 25ibid were examined for applicability to determine Customs value of subject goods this data provided some references however it was found that the same cannot be solely relied upon due to the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc., and also it was observed that importers usually provided misleading description while declaring goods, as other types and varieties of similar goods to avoid the application of valuation ruling. Information available was hence, found inappropriate. In line with the statutory sequential order or Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969 however, it was found that the determination of Customs value could not be based solely upon this method either Therefore, valuation method provided vide Section 25(8) of Customs Act 1969, could not be applied as the conversion cost from constituent materials and allied expenses it country of export were are not available. Finally, Pral database market information was evaluated and international prices from internet sources were thoroughly examined. All the information so gather was analyzed for determination of Customs Value. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive assessable customs values of Bleached/Un bleached Kraft Liner Board/Paper in this case.

3. Stakeholders' participation in determination of customs values: Meeting was convened with stakeholders on 21.03.2016 wherein their views were sought regarding valuation of subject items. During the meeting it was decided that Sack Kraft Paper is a non commercial item and used for cement industry

only therefore, Sack Kraft Paper is to be deleted from the instant Valuation Ruling. However, the valuation trend or this item will be monitored for consistency, variation and fluctuation.

4. Customs Values of Bleached/Unbleached Kraft Liner Board hereinafter specified shall be assessed to duty/taxes on the Customs values mentioned against them In the Table below:

S. No.	Description	PCT Heading	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	Bleached/White Kraft Liner Board	4804.1100 4804.1900	4804.1100.1000	Portugal/Poland & Czech Republic	0.73
			4804.1900.1000		
			4804.1100.1100	Australia	0.75
			4804.1900.1100		
			4804.1100.1200	Sweden/Australia/France/ Germany/Belgium/Finland	0.78
			4804.1900.1200		
			4804.1100.1300	U.K/Ireland	0.79
			4804.1900.1300		
			4804.1100.1400	China	0.62
			4804.1900.1400		
			4804.1100.1500	U.S.A/Canada	0.75
			4804.1900.1500		
4804.1100.1600	UAE/Saudi Arabia	0.63			
4804.1900.1600					
4804.1100.1700	Brazil	0.72			
4804.1900.1700					
4804.1100.1800	Japan	0.65			
4804.1900.1800					
4804.1100.1900	Other Origins	0.73			
4804.1900.1900					
02.	Bleached/White Kraft Liner Paper	4804.1100 4804.1900	4804.1100.2000	Portugal/Poland & Czech Republic	0.76
			4804.1900.2000		
			4804.1100.2100	Australia	0.78
			4804.1900.2100		
			4804.1100.2200	Sweden/Australia/France/ Germany/Belgium/Finland	0.82
			4804.1900.2200		
			4804.1100.2300	U.K/Ireland	0.83
			4804.1900.2300		
			4804.1100.2400	China	0.65
			4804.1900.2400		
			4804.1100.2500	U.S.A/Canada	0.79
			4804.1900.2500		
			4804.1100.2600	UAE/Saudi Arabia	0.66
			4804.1900.2600		
4804.1100.2700	Brazil	0.75			
4804.1900.2700					
4804.1100.2800	Japan	0.68			
4804.1900.2800					
4804.1100.2900	Other Origins	0.76			
4804.1900.2900					
			4804.1100.3000	Portugal/Poland & Czech	0.65

03.	Unbleached/ brown Kraft Liner Board	4804.1100 4804.1900	4804.1900.3000	Republic	
			4804.1100.3100	Australia	0.66
			4804.1900.3100		
			4804.1100.3200	Sweden/Australia/France/ Germany/Belgium/Finland	0.70
			4804.1900.3200		
			4804.1100.3300	U.K/Ireland	0.71
			4804.1900.3300		
			4804.1100.3400	China	0.56
			4804.1900.3400		
			4804.1100.3500	U.S.A/Canada	0.67
			4804.1900.3500		
			4804.1100.3600	UAE/Saudi Arabia	0.57
			4804.1900.3600		
			4804.1100.3700	Brazil	0.65
4804.1900.3700					
4804.1100.3800	Japan	0.58			
4804.1900.3800					
4804.1100.3900	Other Origins	0.66			
4804.1900.3900					
04.	Unbleached/ brown Kraft Liner Paper	4804.1100 4804.1900	4804.1100.4000	Portugal/Poland & Czech Republic	0.68
			4804.1900.4000		
			4804.1100.4100	Australia	0.69
			4804.1900.4100		
			4804.1100.4200	Sweden/Australia/France/ Germany/Belgium/Finland	0.73
			4804.1900.4200		
			4804.1100.4300	U.K/Ireland	0.74
			4804.1900.4300		
			4804.1100.4400	China	0.58
			4804.1900.4400		
			4804.1100.4500	U.S.A/Canada	0.70
			4804.1900.4500		
			4804.1100.4600	UAE/Saudi Arabia	0.60
			4804.1900.4600		
4804.1100.4700	Brazil	0.72			
4804.1900.4700					
4804.1100.4800	Japan	0.68			
4804.1900.4800					
4804.1100.4900	Other Origins	0.69			
4804.1900.4900					

5. In cases where declared I 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. 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.

6. Validity of 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.

7. **Review of the value determined vide this Valuation Ruling:** A review 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 issue, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

8. 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 with respect to PCT may kindly be brought to the notice of Directorate General immediately.

9. This Valuation Ruling Supersedes Valuation No. 721/2015 dated 17.02.2015.

(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, Post Clearance Audit (PCA), Islamabad.
9. Directors, Intelligence & Investigation, Karachi/Lahore/Islamabad/Quetta/Peshawar/Faisalabad.
10. The Project Director, WEBOC, 11th Floor, Custom House, Karachi.
11. Director, Customs Valuation, Custom House, Lahore.
12. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database.
13. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
14. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
15. Customs Revenue Audit, 8th Floor, Custom House, Karachi.
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, Appraisalment, 1st Floor, Custom House, Karachi.
21. Guard File.