

(This Ruling has been revised / superseded vide Valuation Ruling No. 1195/2017 dated 26-07-2017)

**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 PE TARPAULIN
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969
(VALUATION RULING No. 847/2016)**

No. Misc/14/2012-IV/9005

Dated: 06-05-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969 the Customs values of PE Tarpaulin, are determine as follows:-

2. Background of the valuation issue: Consequent upon representation by commercial Importers and in the backdrop of Honorable High Court's under in C.P. No. D-6918/2015, dated 10-11-2015, regarding revision of Valuation Ruling No. 584/2013 dated 30-09-2013, for PE Tarpaulin an exercise was undertaken to re-determine the Customs Values of PE Tarpaulin in terms of Section 25-A of the Customs Act, 1969.

4. Stakeholders' participation in determination of customs values: Meeting were held on 14.03.2016, 13-04-2016 and 19-04-2016 with all stakeholders including local manufactures of subject goods and representative of clearance Collectorate who participated in the meetings. None of the local manufacturer attended the said meetings.

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 the 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, at country of export were are not available. Finally, Pral database market information and international prices thorough Web were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject good consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive assessable customs values of PE Tarpaulin.

4. Customs Values of PE Tarpaulin: PE Tarpaulin hereinafter specified shall be assessed to duty/taxes at the following value:-

S. No.	Description of goods	PCT	Proposed PCT for WEBOC	Origin	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	PE Tarpaulin (Difference cut I sizes with all standard accessories i.e. Eyelets, Rope, seating all corners mode of packing in bundles).	6306.1210	6306.1210.1000	Korea	2.30
				China	2.07
				Vietnam	2.15
				All other origin	2.35
2.	PE Tarpaulin Un-Finished (without standards accessories, mode of packing sheet in rolls/bundles)	6306.1210	6306.1210.1100	Korea	1.85
				China	1.65
				Vietnam	1.70
				All other origin	1.90

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. The Customs Values determined in the ruling are for the descriptions and specification as mentioned herein, HS Codes are mentioned for illustrative purposes so that Valuation Ruling value are made accessible to the assessing officers. The assessment shall be finalized in the correct classification after fulfilling requisite formalities relating to importability or any other certifications required thereon.

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. 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 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 Ruling Supersedes Valuation Ruling No. 584/2013 dated 30.09.2013.

(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), Karachi.
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, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No. 584/2013 dated 30-09-2013 on the date of issue of this Ruling.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chamber 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.