

(This Ruling has been revised / superseded vide Valuation Ruling No. 1787/2023 dated 09-06-2023)

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

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

Determination of Customs Values of Ceramic & Porcelain Tiles

Under Section 25-A of Customs Act, 1969

(VALUATION RULING No. 874/2016)

No. Misc/12/2010-IV

Dated: 22-06-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Ceramic & Porcelain Tiles are determined as follows:

2. Background of the valuation issue: Customs values of Ceramic and Porcelain Tiles were determined under Section 25-A of the Customs Act, 1969, vide Valuation Ruling No.758/2016, dated 08-09-2016. Importers of Tiles have repeatedly agitated against determined values and requested for revision of values on the ground that the existing Valuation Ruling is more than 90 days and price in international market especially China is considerably lower. Moreover, MCC Port Qasim vide letter No. SI/Misc/108/2016/PQ-IV/55 dated 11-03-2016 has referred the issue of confusion which has arisen due to omission of foot note clarification in the Valuation Ruling No.758/2015, dated 08-09-2016 for distinction between ordinary tiles and border, motifs/ decorated tiles etc. Several cases have also been forwarded from MCC Appraisement (East) wherein the similar dispute have been referred for settlement of whether the samples fall within Table 5 pertaining to motifs /borders etc or otherwise of the aforementioned Valuation Ruling. Keeping in view the aforesaid position, an exercise to re-determine the Customs values of Ceramic and Porcelain Tiles was initiated.

3. Stakeholders participation: Meetings were held with stakeholders on 06-04-2016 & 19-04-2016. All participants were requested to submit the following documents so that correct values of the subject goods could be determined:-

- i) Invoices of imports during last three months showing factual value.
- ii) Websites, names and E-mail addresses of known foreign supplier 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. The meetings were attended by the stakeholders including the representatives of importers, local manufactures, Karachi chamber of commerce and industry, and trade bodies and clearance collect orates. Several importers of Tiles submitted documents wherein they have contended that since the cost of manufacturing has been raised in china which has not been translated into the rulings. However, no direct evidence to substantiate their arguments were submitted.

5. 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 ibid was found inapplicable because required information under the law was not available. Identical and Similar Goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969 provided some reference values but due to wide variations the same could not be relied upon. In the sequential order this

Directorate conducted market inquiries in terms of Sub-Section (7) of Section 25 of the Customs Act, 1969. Stakeholders meetings were also conducted for their input and feedback. On-line values were also checked. Accordingly customs values of Ceramic and Porcelain Tiles are determined under sub-section (7) of Section 25 of the Customs Act, 1969.

6. Customs values for Ceramic & Porcelain Tiles: Ceramic and Porcelain Tiles as specified hereinafter shall be assessed to duty/ taxes at the Customs values given in the following tables:-

Customs Values in US \$ / Square Meter							
Ceramic Tiles				Table-I			
S.NO	Sizes	PCT Code	Proposed PCT For WeBOC	China.	Europe	Far East and Middle East	Iran
1	Below 04"X04"=10x10cm	6908.9010	6908.9010.1000	2.00	3.50	2.20	1.85
2	04"X04"=10x10cm & above	6908.9010	6908.90 10.1200	2.30	3.79	2.42	2.05
3	8"x8"=20x20cm& above	6908.9010	6908.9010.1300	2.40	4.48	2.65	2.20
4	8"x12"=20x30cm& above	6908.9010	6908.9010.1400	2.40	5.25	2.65	2.20
5	8"x13"=20x30cm& above	6908.9010	6908.90 10.1500	2.55	5.53	2.75	2.30
6	12"x12"=30x30cm & above	6908.9010	6908.9010.1600	2.70	5.75	3.10	2.55
7	12"x18"=30x45cm & above	6908.9010	6908.90 10.1700	3.50	5.75	3.95	3.30
8	16"x16"=40x40cm & above	6908.9010	6908.90 10.1800	3.75	5.75	4.40	3.60
9	20"x20"=50x50cm & above	6908.9010	6908.9010.1900	4.10	5.75	4.50	3.80
10	24"x24"=60x60cm & above	6908.9010	6908.9010.2000	4.30	5.78	4.70	4.00

Porcelain Tiles Polished				Table-II			
S.NO	Sizes	PCT Code	Proposed PCT For WeBOC	China.	Europe	Far East and Middle East	Iran
1	Below 12"X12"=30x30cm	6907.9000	6907.9000.1000	4.10	7.98	4.50	3.80
2	12"X12"=30x30cm above	6907.9000	6907.9000.1100	4.50	9.47	4.95	4.15
3	12"X18"=30x45cm above	6907.9000	6907.9000.1200	4.75	9.56	5.20	4.40
4	16"x16"=40x40cm & above	6907.9000	6907.9000.1 300	4.90	10.50	5.40	4.50
5	18"x18"=45x45cm & above	6907.9000	6907.9000.1400	5.05	10.50	5.50	4.70
6	20"x20=50x50cm& above	6907.9000	6907.9000. 1500	4.75	1 0.50	5.45	4.50

7	24"x24=60x60cm& above	6907.9000	6907.9000.1600	4.90	11.55	5.75	4.75
8	40"x40=100x100cm & above	6907.9000	6907.9000.1700	6.15	12.00	6.65	5.60

Porcelain Tiles-Matt/Glazed				Table-III			
S.NO	Sizes	PCT Code	Proposed PCT For WeBOC	China.	Europe	Far East and Middle East	Iran
1	Below 12"X12"=30x30cm	6908.9010	6908.9010.2100	3.00	4.48	3.30	2.75
2	12"X12"=30x30cm & above	6908.9010	6908.9010.2200	3.25	5.25	3.55	3.00
3	12"X18"=30x45cm & above	6908.9010	6908.9010.2300	3.90	5.25	4.25	3.60
4	16"x16"=40x40cm & above	6908.9010	6908.9010.2400	4.10	5.68	4.50	3.80
5	18"x18"=45x45cm & above	6908.9010	6908.9010.2500	4.10	5.68	4.50	3.80
6	20"x20=50x50cm& above	6908.9010	6908.9010.2600	4.05	5.68	4.45	3.75
7	24"x24=60x60cm& above	6908.9010	6908.9010.2700	4.30	7.58	4.70	4.00

Glazed Polished Porcelain Tiles				Table-IV			
S.NO	Sizes	PCT Code	Proposed PCT For WeBOC	China	Europe	Far East and Middle East	Iran
1	24"X24"=60x60cm & above	6908.9010	6908.9010.2800	5.00	8.00	5.50	4.28
2	40"X40"=100x100cm & above	6908.9010	6908.9010.2900	5.80	9.25	6.40	5.40

Note: The above prices are for Ceramic /Porcelain Tiles that are Plain, Coloured, Printed, Rustic / Embossed /Stone effect including Structured moulded Tiles (Excluding Decorated with gold/ luster/ silver and Border/ Motif/Skirting and Trimming)

Borders/Motif/Moulding/Skirting/Trimming whether plain or embossed, decorated with Gold/Silver /Luster				Table-V			
S.NO	Sizes	PCT Code	Proposed PCT For WeBOC	China	Europe	Far East and Middle East	Iran
1	All Sizes	6908.9010	6908.9010.3000	20.00	28.00	22.00	18.60

Note: Further discount of 5% in the values determined above of Iranian origin Tiles is allowed if they are imported through land routes.

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 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.

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-Sections (1) or (3) of Section 25-A or section 25-D of the Customs Act, 1969.

9. 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.

10. 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. The Customs values determined in the ruling are for the descriptions and specifications as mentioned in the Tables above. HS codes are mentioned for illustrative purposes only so that VR values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling all formalities relating to importability or any other certifications 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 Customs Act, 1969 or any other law in vogue therein.

11. This Ruling supersedes Valuation Ruling No. 758/2015, dated 08-09-2016.

(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 (Appraisal), 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, for uploading this Ruling and deleting the Valuation Ruling No.758/2015, dated 08-09-2016 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.