

This Ruling has been revised / superseded vide Valuation Ruling No. 1454/2020 dated 24-06-2020

**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 Woven/Knitted Furnishing (Sofa & Curtain Fabric) and Coated Fabric (Flocking/Sued) Under Section 25-A of the Customs Act, 1969

(VALUATION RULING No. 881/2016)

No. Reg-Misc/11/2012-IV/8754

Dated: 29-06-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Woven/Knitted Furnishing Sofa & Curtain Cloth and Coated Fabric (Flocking/Sued), are determined as follows:

2. Background of the valuation issue: Consequent upon representation by commercial importers, regarding revision of Valuation Ruling No. 765/2015 dated, 09-10-2015 an exercise was undertaken to re-determine the Customs Values of Woven/Knitted Furnishing Sofa & Curtain Cloth and Coated Fabric (Flocking/Sued), in terms of Section 25-A of the Customs Act, 1969.

3. Stakeholders' participation in determination of Customs values: Meetings were held on 10-03-2016 and 11-04-2016, with all the stakeholders of subject goods and representatives of clearance Collectorate who participated in the meetings.

4. **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 25 ibid 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. 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, at country of export were are not available. Finally, Pral database, market information and international prices through 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 Woven/Knitted Furnishing (Sofa & Curtain Fabric) and Coated Fabric (Flocking/Sued).

5. Customs values for Woven/Knitted Furnishing (Sofa & Curtain Fabric) and Coated Fabric (Flocking/Sued), hereinafter specified shall be assessed to duty /taxes at the following Customs Values:-

S. No	Description of Goods	HS CODE	Proposed PCT For WeBOC	Origin	Customs Values
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					C&F US\$/KG
(1)	(2)	(3)	(4)	(5)	(6)
01	Woven Furnishing Fabric for sofa & Curtain Catalogues of samples made of Woven Furnishing Fabric for sofa & curtains)	5514.2100	5514.2100.1000	China/ Bangladesh	6.80
		5514.2200	5514.2200.1000	UAE/Indonesia/Malaysia /Thailand/Vietnam Korea & Turkey	7.82
		5514.2300	5514.2300.1000		
		5514.2900	5514.2900.1000		
		5514.3010	5514.3010.1000		
		5514.3090	5514.3090.1000		
		5514.4100	5514.4100.1000		
		5514.4200	5514.4200.1000		
		5514.4300	5514.4300.1000		
		5514.4900	5514.4900.1000		
		5515.1190	5515.1190.1000		
		5515.1290	5515.1290.1000		
		5515.1900	5515.1900.1000		
		5515.2190	5515.2190.1000		
		5515.2990	5515.2990.1000		
		5515.9190	5515.9190.1000		
		5515.9990	5515.9990.1000		
		5516.2200	5516.2200.1000		
		5516.2300	5516.2300.1000		
		5516.2400	5516.2400.1000		
5516.4100	5516.4100.1000				
5516.4200	5516.4200.1000				
5516.4300	5516.4300.1000				
5516.4400	5516.4400.1000				
5516.9100	5516.9100.1000				
5516.9200	5516.9200.1000				
5516.9300	5516.9300.1000				
5516.9400	5516.9400.1000				
02	Woven Furnishing Fabric for Sofa and Curtains (Velvet)	5801.2600	5801.2600.1000	China/ Bangladesh	6.80
		5801.2700	5801.2700.1000	UAE/Indonesia/Malaysia /Thailand/Vietnam Korea & Turkey	7.82
		5801.3100	5801.3100.1000		
		5801.3200	5801.3200.1000		
		5801.3300	5801.3300.1000		
		5801.3600	5801.3600.1000	Europe/USA/Canada	12.75
		5801.3700	5801.3700.1000		
		5801.9000	5801.9000.1000		
5804.2100	5804.2100.1000				
5804.2900	5804.2900.1000				
03	Knitted Chenille Fabric (Velvet)	6001.2290	6001.2290.1000	China/ Bangladesh	6.80
		6001.2990	6001.2990.1000	UAE/Indonesia/Malaysia /Thailand/Vietnam Korea & Turkey	7.82
		6001.9210	6001.9210.1000		
		6001.9290	6001.9290.1000		
		6001.9990	6001.9990.1000	Europe/USA/Canada	12.75
04	Knitted / Coated, Flocking/Sued Fabric (Plain)	5903.9000	5903.9000.1000	China/ Bangladesh	4.00
				UAE/Indonesia/Malaysia /Thailand/Vietnam Korea & Turkey	5.00
				Europe/USA/Canada	8.00
05	Copy for information	5903.9000	5903.9000.1000	China/ Bangladesh	4.50

to:- Knitted /Coated Flocking/Sued PPrinted /Embossed/ Designed fabric.			UAE/Indonesia/Malaysia /Thailand/Vietnam Korea & Turkey	5.15
			Europe/USA/Canada	9.0

5. 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. The Custom values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein, HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling request formalities relating to importability or other certifications required thereon.

6. 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 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 of this ruling, before the Director General, Directorate General of Customs Valuation, 11th 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 may kindly be brought to the notice of Directorate General immediately.

11. This Valuation ruling supersedes Valuation Ruling No. No. 765/2015, dated 09-10-2015.

(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, Audit (Customs & Petroleum), 151 Floor, PT & T Audit Building, Mauj -e- Darya Road, Lahore.
09. 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 & We BOC database system and deleting S.No.3 of Valuation Ruling NO.765/2015 dated 09-10-2015.