

(This Ruling has been revised / superseded vide Valuation Ruling No. 1268/2018 dated 7-03-2018)

**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 SOFT & HARD SAWN WOOD UNDER
SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING No. 917/2016)

No. Misc/06/2007-III

Dated: 26-08-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Soft & Hard Sawn Wood are determined as follows: -

2. Background of the valuation issue: Customs value of Soft & Hard Sawn Wood was determined vide Valuation Ruling No. 67 1/20 14 dated 31.03.2014 followed by Corrigendum dated 16.04.2014. Since the above Valuation Ruling was considerably old and needed revision and in the light of orders of Honorable Sindh High Court in CP 691 & dated 10.11.2015, an exercise was undertaken to re-determine the customs value of the subject goods under Section 25A of the Customs Act, 1969 keeping in view the international price trend.

3. Stakeholders' participation in determination of Customs values: A meeting with stakeholders was held on 24.08.2016 which was attended by commercial importers including office bears of Karachi Timber Merchants Group (KTMG). The commercial importers requested for downward revision of value keeping in view the decline in international prices of the commodity. They also requested that value of Russian origin soft wood should be at par with that of Europe on the grounds of similarity of wood and proximity of region(s). All the participants were requested to provide relevant import documents, Sales Tax invoices and proposed workings in Support of their contention. However, none of the participants submitted the requisite documents except the Karachi Timber Merchants Group (KTMG) who provided a working proposal/ recommendations which has been considered in determination of the instant valuation Ruling. Stakeholders feedback, written as well as oral, during the meeting is available on record and has been given due consideration while determining the value for Soft & Hard Sawn Wood.

4. Method adopted to determine Customs values: Valuation methods provided under Section 25 of the Customs Act, 1969 were followed to arrive at fair value of Soft & Hard Sawn Wood. Transaction value method provided in Section 25(1) was found inapplicable because the requisite information was not available. Identical / similar goods value Methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variation in the prices. Thereafter, market enquiry as envisaged under Section 25(7) of the Customs Act, 1969, was conducted. The findings of market enquiry revealed upward trend for most of the types of Soft & Hard Sawn Wood available in open market along with price variations. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the goods are natural product. Keeping in view all the factors and after carefully analyzing all the information from different sources and input provided by the stakeholders and Karachi Timber Merchants Group (KTMG) during the meeting customs values of subject goods were determined under Section 25(9) of the Customs Act, 1969.

5. Customs values for Soft & Hard Sawn Wood: Soft & Hard Sawn Wood hereinafter specified shall be assessed to duty/taxes at the following values:-

S.	Description of goods	PCT	Proposed PCT	Origins	Customs
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No.		Heading	for WEOC		Values (C&F) US\$/M3
(1)	(2)	(3)	(4)	(5)	(6)
01	Softwood Logs	4403.2000	4403.2000.1000	Europe/ North America	135.00
02	Soft/White/Red Wood Rough/ Sawn/S4S Timber	4403.1900 4407.2900	4403.9900.1000	Australia/ Russia/ Europe	190.00
			4407.2900.1000	USA	200.00
			4403.9900.1100	USA	200.00
			4407.2900.1100	Canada	220.00
			4403.9900.1200	Canada	220.00
			4407.2900.1200	Others	230.00
03	African Sawn Timber	4403.1900	4403.9900.1400	African Countries	355.00
		4407.2900	4407.2900.1400		
04	Myanmar Teak Logs	4403.4910	4403.4910.1000	Myanmar	1200.00
05	Myanmar Hardwood/ Gurjan Logs	4403.4910	4403.4910.1100	Myanmar	355.00
06	Hardwood Logs	4403.4910	4403.4910.1200	African Countries	305.00
07	Medium Light hardwood logs	4403.4910	4403.4910.1300	South East Asia	435.00
08	Red Meranti Sawn Timber Wood	4407.2500	4407.2500.1000	South East Asia	410.00
09	Yellow Meranti Sawn Timber wood	4407.2600	4407.2600.1000	South East Asia	360.00
10	Beech Wood Sawn Timber	4407.9200	4407.9200.1000	Europe/North America	370.00
11	Ash Wood Sawn Timber & Other Hardwood Species	4407.9500	4407.9500.1000	Europe/North America	470.00

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 or 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.

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 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 issue 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 this Valuation 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. Customs values determined the ruling are for the description and specification as mentioned in the table above or this Ruling. HS Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of Correct classification after fulfilling requisite formalities related to importability or any other certification 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.

10. This Ruling supersedes Valuation Ruling No. 671/2014, dated 31-03-2014 and its corrigendum dated 16.04.2014.

(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 (Appraisement), 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.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.