

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 POLYESTER YARN UNDER SECTION
25-A OF THE CUSTOMS ACT, 1969
(VALUATION RULING No. 928/2016)

No. Misc/25/2013-VI/9438

Dated: 19-09-2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Polyester Yarn of different origins, are determined as follows: -

2. Background of the valuation issue: All Pakistan Yarn Merchants Association (PYMA) Karachi contested that old valuation ruling No. 817/2016 dated 02-03-2016 needs revision due to down ward trend in international prices of the Polyester Yarn. Consequently, this Directorate General initiated the exercise for the same.

3. Stakeholders' participation in determination of Customs values: A meeting for the determination of customs values of Polyester Yarn was scheduled on 17-08-2016 and 24-08-2016. All participants were requested to bring the following:-

- i) Invoices of imports during last three months showing factual value.
- ii) Websites, names and E-mail addresses of known foreign manufacturers 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 said meeting was attended by office bearers of Pakistan Yarn Merchants Association (PYMA), Karachi and Filament Yarn Merchants Association (FYMA), Karachi. A commercial importer as well as local manufactures wherein the issue was deliberated upon threadbare and the representatives of these Associations agreed with the working done by the Department.

5. Method adopted to determine Customs values: It is pertinent to mention here that the value of Polyester Yarn had been determined by this Directorate General by taking into consideration the import clearance data of two important constituent material of this commodity i.e. PTA and MEG for past three months obtained from PRAL and value of PTA obtained from its local Manufacturers i.e. M/s. Lottee Pakistan (Pvt) Limited. Thereafter, the calculation is done by the Directorate General to arrive at unified average value of PTA. The average value of PTA and MEG so determined is run through the formula prescribed and circulated by the Board vide C.No.3(20)/TAR-1/90-Yarn, dated 07-04-2005 to arrive at the final determined price of the Polyester Yarn. Since this formula has been prescribed by the Board in consultation with the consensus of all concern Stakeholders, therefore the same is used for Polyester Yarn in terms of Sub-Section (9) of Section 25 of the Customs Act, 1969.

6. Accordingly, in order to determine the current value of the Polyester Yarn and to find out as to whether the pieces of Polyester Yarn and prices of its constituents of Polyester Chain i.e. Purified Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG) have decreased as contended by Pakistan Yarn Merchants Association. (PYMA), Filament Manufacturers Association (FYMA), or otherwise, an extensive exercise has been done in the Directorate General to arrive at final determined value of the Polyester Yarn. On the basis of the data / information collected and exercise conducted as per

above detailed formula prescribed by the Board, the values of Polyester Yarn have been determined afresh by this Directorate General.

7. Customs values for Polyester Yarns: Polyester Yarn of different specifications as specified in Annexure "A" to this Valuation Ruling shall be assessed duty and taxes on the customs value specified therein.

8. 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.

9. 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.

10. 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.

11. 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. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. 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.

12. This ruling supersedes Valuation Ruling No. 817/2016, dated 02-03-2016.

(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 (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.
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. 817/2016, dated 02-03-2016 from the system on the date of issue of the ruling.
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.

**GOVERNMENT OF PAKISTAN DIRECTORATE GENERAL OF CUSTOMS VALUATION CUSTOM HOUSE KARACHI STATEMENT OF
BASE VALUES POLYESTER CHAIN ITEMS (YARN) ANNEX, A VALUATION RULING NO. _____ Dt. _____**

BASIS OF VALUATION		MEG value per US\$ (PRAL date)		PTA value per US\$ (PRAL date + ICI PTA)		MEG + PTA	chips/ fiber			BASE VALUES OF DRAWN TEXTURED YARN									
										YARN 75 DTY SD	YARN 100 DTY SD	YARN 150 DTY SD	YARN 150 DTY BLACK DOPE DYED	YARN 300 DTY SD	YARN 75 DTY TWST	YARN 150 OF 1000 TPM SD	YARN 150 OF 1500 TPM SD	YARN ITY (BSY) 130	YARN ITY (BSY) 135
1		2	3	4	5	6	7			8	9	10	11	12	13	14	15	16	17
Source	Unit	Per Ton	Per formula (350 Kg)	Per Ton	Per formula (870 Kg)	(Col.3 + Col.5)	(Col.6) + \$100/-	VALUE OF YARN		(Col.7) +\$455/-	(Col.7) +\$375/-	(Col.7) +\$300/-	(Col.7) +\$420/-	(Col.7) +\$250/-	(Col.7) +\$1055/-	(Col.7) +\$800/-	(Col.7) +\$800/-	(Col.7) +\$560/-	(Col.7) +\$560/-
PRAL & MCC data + ICI PTA values (Dec 09 & Jan 10) units USS	PER TON	746.00	261.10	646.00	562.02	823.12	923.12		PER TON	1378.12	1298.12	1223.12	1343.12	1173.12	1978.12	1723.12	1723.12	1483.12	1483.12
	PER KG	0.75	0.26	0.65	0.56	0.82	0.92		PER KG	1.38	1.30	1.22	1.34	1.17	1.98	1.72	1.72	1.48	1.48
	PER 100 GM	0.07	0.03	0.06	0.06	0.08	0.09		PER 100 GRAMS	0.14	0.13	0.12	0.13	0.12	0.20	0.17	0.17	0.15	0.15

POLYESTER FILAMENT FLAT YARN

VALUE OF YARN	CATEGORY	YARN 4\$ SD	YARN 50 FPY SD	YARN 50 FPY BRT	YARN 50 FPY BLACK DOPE DYED	YARN 75 FPY SD	YARN 75 PFY BRIGHT	YARN 75 FPY BLACK DOPE DYED	YARN 90 FPY BLACK DOPE DYED	YARN 100 FPY BRT	YARN 100 FPY BLACK	YARN 150 FPY BRT	YARN 200 FPY BRT	YARN 300 FPY BRT
		18	19	20	21	22	23	24	25	26	27	28	29	30
		(Col.7) +\$400/-	(Col.7) +\$400/-	(Col.7) +\$400/-	(Col.7) +\$520/-	(Col.7) +\$355/-	(Col.7) +\$355/-	(Col.7) +\$475/-	(Col.7) +\$395/-	(Col.7) +\$275/-	(Col.7) +\$395/-	(Col.7) +\$200/-	(Col.7) +\$150/-	(Col.7) +\$150/-
	PER TON	1323.12	1323.12	1323.12	1323.12	1278.12	1378.12	1398.12	1318.12	1198.12	1318.12	1123.12	1073.12	1073.12
	PER KG	1.32	1.32	1.32	1.44	1.28	1.28	1.40	1.32	1.20	1.32	1.12	1.07	1.07
	PER 100 GMS	0.13	0.13	0.13	0.14	0.13	0.13	0.14	0.13	0.12	0.13	0.11	0.11	0.11

H. M.Jokhio
Appraising Officer

Allison Stephen
Principal Appraiser

Shoib Raza
Deputy Director

S. Imran Bukhari
Additional Director IV

(Dr. Wasif Ali Memon)
Director