

*(This Ruling has been revised / superseded vide Valuation Ruling No. 1304/2018 dated 14-05-2018)*

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

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**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 LINEAR ALKYL BENZENE SULPHONIC ACID (SOFT AND HARD TYPE) UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING No. 999/2016)**

No. Misc/29/2012-II

Dated: 22<sup>nd</sup> December, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type) are determined as follows:

**2. Background of the valuation issue:** Consequent upon representation by commercial importers, regarding revision of Valuation Ruling No. 880/2016 dated 28-06-2016 for Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type), an exercise was undertaken to re-determine the Customs Values of Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type) in terms of Section 25-A of the Customs Act, 1969.

**3. Stakeholders' participation in determination of Customs values:** Meeting with all the stakeholders including importers, local manufacturer, Pakistan Chemicals and Dyes Merchants Association and representatives from clearance Collectorates, was held on 16-12-2016 to discuss the current international prices of the subject item. The commercial importers stated that the prices of subject items are showing down ward trend in the international markets whereas the local manufacturers stated that prices of raw materials have gone up in international market in last three months and requested to revise the value of Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type) upward. The view point of all participants was heard in detail and considered to arrive at Customs value of Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type).

**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. In line with the statutory sequential order of 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 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 prices through international Web sites 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 Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type).

**5. Customs values for Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type):** Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type), *hereinafter specified shall* be assessed to duty / taxes at the following Customs Values:-

S. No.	Description of goods	PCT	Proposed PCT for WEBOC	Origins	Customs Values (C&F) US\$/KG
01	Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type)	3402.1100	3402.1100.1000	Korea	1.250
		3402.1190	3402.1190.1000		
		3402.1100	3402.1100.1100	Iran (Land Route)	1.220
		3402.1190	3402.1190.1100		
		3402.1100	3402.1100.1200	All other origins	1.230
		3402.1190	3402.1190.1200		

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 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 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 requisite formalities relating to importability or other certifications required thereon.

**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 of the Customs Act, 1969.

**8. Revision of the value determined vide this Valuation Ruling:** This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, 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, 7<sup>th</sup> Floor, Custom House, Karachi.

9. 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.

10. This Ruling supersedes Valuation Ruling Nos. 880/2016 dated 28-6-2016.

**(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 (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), 1<sup>st</sup> 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 data base system and deleting Valuation Ruling Nos. 880/2016 dated 28-6-2016
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, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi / MCC, Appraisement, 1<sup>st</sup> Floor, Custom House, Karachi.
21. Guard File.

**(DR.WASIF ALI MEMON)**

Director