

This Ruling has been revised / superseded vide Valuation Ruling No. 1453/2020 dated 24-06-2020

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

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

**DETERMINATION OF CUSTOMS VALUES OF POLYESTER/ACRYLIC PILE FABRIC
FOR BLANKETS (225 GSM AND ABOVE) UNDER SECTION 25-A OF THE CUSTOMS
ACT, 1969**

(VALUATION RULING No. 1003/2017)

File No. Misc/34/2016-IV/31

Dated: 5th January, 2017

In exercise of the powers conferred under Section 25-A of Customs Act, 1969 Customs values of Determination of Customs Values of Polyester/Acrylic Pile Fabric for Blankets (225 GSM and Above) are determined as follows:-

2. Background of the valuation issue: In light of the Order in Revision 222/2016 dated 03-08-2016 passed by the Director General of Customs Valuation for determination of assessable value for Determination of Customs Values of Polyester/Acrylic Pile Fabric for Blankets (225 GSM and Above) is undertaken.

3. Stakeholders' participation in determination of Customs values: Meetings for the determination of customs values of Determination of Customs Values of Polyester/Acrylic Pile Fabric for Blankets (225 GSM and Above) with the stakeholders were held on 23-08-2016 and 21-12-2016, where in the basic issues were raised by the stakeholders which are as follows:

- a) That importers are facing challenges due to purported smuggling of the item,
- b) That printed and dyed pile fabric is still not converted into blanket therefore it should be treated as pile fabric instead of unfinished blanket,
- c) Valuation Ruling No. 784/2015 at S. No. 6 the value of Polyester Pile Fabric (knitted / narrow knitted) is used for ladies suiting which is a different item compared with the much heavier Polyester Pile Fabric from which blankets are made.

4. Furthermore, some of the importers submitted their import documents along with samples. Moreover, they also submitted the working sheets showing conversion from Raw Material to Finished Form. All the participants were requested to submit the following documents so that correct customs values could be determined:

- i) Invoices of imports during last three months showing factual values, websites, names and email addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- ii) Copies of Contracts made / LCs opened during the last three months showing the value of item in question.

5. 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 same importers provide 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 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 at assessable customs values of Polyester/ Acrylic Pile Fabric for Blankets (225 GSM and above).

6. Customs values for Polyester Pile Fabric for Blankets: Determination of Customs Values of Polyester/Acrylic Pile Fabric for Blankets (225 GSM and above) hereinafter specified shall be assessed to duty / Taxes at the following Customs Values:-

S. No.	Description of goods	PCT Code	Proposed PCT for WEBOC	Origins	Customs Values (C&F) US\$/KG/ Net Weight
(1)	(2)	(3)	(4)	(5)	(6)
1	Polyester Dyed, Printed, Embossed Pile Fabric For Blankets	6001.9290	6001.9290.1000	China	2.45
				Korea/ U.A.E	3.00
				Europe	3.60
2	Polyester Dyed, Printed, Embossed Pile Fabric For Blankets	6001.9290	6001.9290.1100	China	3.45
				Korea/ U.A.E	4.20
				Europe	5.00

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 of the Customs Act, 1969. In case imported items are not specifically fall under any of above mentioned brands, the same may be assessed under Section 25-A, otherwise if appropriate the same may be referred to Directorate of Customs Valuation for necessary action at their end.

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 issue 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 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.

(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), 1st Floor, PT &T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.