

*(This Ruling has been revised / superseded vide Valuation Ruling No. 1199/2017 dated 09-08-2017)*

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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 GLASS TUBING OF A KIND USED FOR THE MANUFACTURE OF AMPOULES UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING No. 1013/2017)**

No. Misc/01/2016-V/116

Dated: 16<sup>th</sup> January, 2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Glass Tubing of a kind used for the manufacture of ampoules are determined as follows:-

**2. Background of the valuation issue:** MCC Appraisement West has issued a guideline for assessment of Glass Tubing of a kind used for the manufacture of ampoules. This guideline was issued on a complaint by local manufacturer of Glass Tubing of a kind used for the manufacture of ampoules. This guideline was agitated in the clearance Collectorate by the importers, thereafter, cases were provisionally assessed and goods declarations were forwarded to this Directorate General. This office not only issued valuation advice in the relevant cases but at the same time issued Valuation Database values vide DG/VDB/REF/77/2016-V/9880 No. 77 dated 16-11-2016 for uniform application across the country. Certain importers agitated against VDB letter and requested for formal valuation ruling in the subject item. Consequently it was deemed expedient to issue a Valuation Ruling of the subject goods after taking all stakeholders on board.

**3. Stakeholders' participation in determination of Customs values:** A stakeholders meeting was held on 10-01-2017. The importers were requested to furnish the following documents:-

- (i) Invoices of imports made 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. During the course of meeting importers asserted that the subject product is not a consumer item therefore aspersions of mis-declaration of value are uncalled for. They also stated that there are no high fluctuations of value in the market and only few manufacturers produce this item in China and that there is only one manufacturer in Germany which produce top quality glass tubing. They claimed that their declarations are correct. Importers also stated that quality of Chinese glass tube is as per approved standards of USP and that they do not have any quality problems from Chinese glass tubing. They pleaded that their declarations may be accepted and that they are ready to supply goods at their declared prices. On the contrary, local manufacturer took a controverting point of view. They claimed that Glass Tubing of a kind used for the manufacture of ampoules is not an ordinary glass but specialty glass. As the injectable medicines are contained in these ampoules, therefore, it is very important and essential that the glass is non-reactive and non-corrosive. Moreover, such glass is manufactured according to USP standards and that constituent material shall contain borosilicate.

They also contended that values of ordinary glass table ware of Chinese origin have been determined at US\$ 0.89/Kg vide Valuation Ruling No. 788/2016 whereas the subject glass tubing is of specific requirements catering to pharmaceutical standards. They also contended that recently values of glass refills for vacuum flasks of China origin have been suggested at US\$ 1.80/Kg vide DG/VDB/REF/112/2016-V dated 9-12-2016.

5. The requisitioned documents were not submitted by the stakeholders, however, an importer submitted some documents pertaining to clearance and supplies. The analyses reaffirmed the customs values determined in this ruling.

**6. Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed. 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 also not found helpful in determination of values due to wide variation in values. Consequently, market enquiries as envisaged under Section 25(7) of the Customs Act, 1969, were conducted which could yield no results as the goods were not sold in the market as such. Online values were also checked. Since the manufacturers' costs and raw material prices of producing the goods in question in the country of exportation were not available, computed value method as provided in Section 25(8) could not be applied for valuation of the aforesaid goods. All the information and data gathered in the process was evaluated for the purpose of determination of customs values and consequently, reliance was placed upon Sub-Section (9) of Section 25 of the Customs Act, 1969, and customs values of Glass Tubing of a kind used for the manufacture of ampoules were determined under Section 25(9) of the Customs Act, 1969.

7. Customs values for Glass Tubing of a kind used for the manufacture of ampoules hereinafter specified shall be assessed to duty / taxes at the following Customs Values: -

S. No.	Description of goods	H.S Code	Proposed PCT for WEBOC	Origins	Customs Values (C&F) US\$/Kg
1	Clear Glass Tubing of a kind used for the Manufacture of Ampoules	7002.3910	7002.3910.1000	China	0.85
2	Clear Glass Tubing of a kind used for the manufacture of ampoules	7002.3910	7002.3910.1100	Europe	1.71
3	Amber Glass Tubing of a kind used for the manufacture of ampoules	7002.3910	7002.3910.1100	China	1.00
4	Amber Glass Tubing of a kind used for the manufacture of ampoules	7002.3910	7002.3910.1300	Europe	1.82

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 Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the air 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, 7<sup>th</sup> Floor, Custom House, Karachi.

11. The Collectors of Customs may kindly ensure that the values given in the 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 this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the table above of this Ruling. HS codes are mentioned for illustrative purposes 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.

**(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 database system and deleting values mentioned in VDB letter No. 77 dated 16-11-2016.
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, Appraisalment, 1<sup>st</sup> Floor, Custom House, Karachi.
21. Guard File.