

*This Ruling has been revised / superseded vide Valuation Ruling No. 1451/2020 dated 24-06-2020*

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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 Collect orates, Appraisement (East / West) / Port Qasim / MCC Export (Karachi / Port Qasim), MCC Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta / Peshawar / Gawadar / Gilgit-Baltistan.

**DETERMINATION OF CUSTOMS VALUES OF MOSQUITO (POLYESTER/ NYLON)  
KNITTED DYED NET FABRIC UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING No. 1017/2017)**

Misc/19/2016-IV/166

Dated: 23<sup>rd</sup> January, 2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Mosquito (Polyester / Nylon) Knitted Dyed Net Fabric are determined as follows:

**2. Background of the valuation issue:** Reports were received in this Directorate General of Customs Valuation that Polyester Ladies Net Fabric of Valuation Ruling No. 784/2015 dated 30.12.2015 is being mis-declared and cleared under the garb of Mosquito (Polyester / Nylon) Knitted Dyed Net Fabric on the lower values under different HS Codes. Therefore, an exercise was carried out for determination of fair value of Mosquito (Polyester / Nylon) Knitted Dyed Net Fabric as per prevailing international prices. In the light of forgoing, an exercise was undertaken by this Directorate General to determine the fair values of Mosquito (Polyester / Nylon) Knitted Dyed Net Fabric according to trends prevailing in the current international market.

**3. Stakeholders' participation in determination of Customs values:-** A meeting for the determination of custom values of Mosquito (Polyester / Nylon) Knitted Dyed Net Fabric with the stakeholders was conducted on 18.01.2017, wherein the matter was discussed in detail wherein the importers stated that the prices of Mosquito (Polyester / Nylon) Knitted Dyed Net Fabric have come down in the international market. It was further contended that the subject items are frequently being imported by the importers as an independent articles with slight variations of prices as per the different grams (Weight Per Square Meter). Mosquito (Polyester / Nylon) Knitted Dyed Net Fabric ranges from 20 to 30 grams per square meter. Whereas, Ladies Net Fabrics may carry weight above 30 grams (weight Per Square Meter).

4. Further, the importer submitted their import documents in support of their contentions and requested to accept their transactional values. All the participations 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.
- iii) 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.

**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 in applicable 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 in appropriate. 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 material is 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 Mosquito (Polyester/ Nylon) Knitted Dyed Net Fabric.

**6. Customs values for Mosquito (Polyester / Nylon) Knitted Dyed Net Fabric:** Customs values for Mosquito (Polyester / Nylon) Knitted Dyed Net Fabric from various origin here in after specified shall be assessed to duty / taxes at the following customs values:

Sr. No.	Description of Goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (USD Per KG)
1.	Mosquito (Polyester) Knitted Dyed Net Fabric Up to 30 grams per square meter.	6006.3200	6006.3200.1000	China	3.60
		6004.9000	6004.9000.1000	Korea / Taiwan / Malaysia / Indonesia / UAE	5.00
		6006.9090	6006.9090.1000		
		6005.3200	6005.3200.1000		
		6005.3110	6005.3110.1000	Other Origins	6.00
		5608.1900	5608.1900.1000		
		6304.9100	6304.9100.1000		
		6304.9200	6304.9200.1000		
6304.9900	6304.9900.1000				
5804.1000	5804.1000.1000				
2	Mosquito (Nylon) Knitted Dyed Net Fabric Up to 30 grams per square meter.	6006.3200	6006.3200.1100	China	4.60
		6004.9000	6004.9000.1100	Korea / Taiwan/ Malaysia / Indonesia / UAE	6.00
		6006.9090	6006.9090.1100		
		6005.3200	6005.3200.1100		
		6005.3110	6005.3110.1100	Other Origins	7.00
		5608.1900	5608.1900.1100		
		6304.9100	6304.9100.1100		
		6304.9200	6304.9200.1100		
6304.9900	6304.9900.1100				
5804.1000	5804.1000.1100				

7. Clearance Collect orate are required to be extra vigilant that the ladies net fabric is not cleared in the garb of above description of Mosquito Net Fabric of up to 30 grams per square meter. The values are meant for Mosquito (Polyester / Nylon) Knitted Dyed Net Fabric only. 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 (4) 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 of Customs Act 1969, 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, 7<sup>th</sup> 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), 1<sup>st</sup> Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
9. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Islamabad.
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.
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.
22. Webmaster, Federal Board of Revenue, Islamabad.