

*(This Ruling has been revised / superseded vide Valuation Ruling No. 1571/2021 dated 26-11-2021)*

\*\*\*

**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 FOR HOT MELT ADHESIVE GLUE  
STICK / GRANULES / CHIPS AND PELLETS UNDER SECTION 25-A OF THE CUSTOMS  
ACT, 1969**

**(VALUATION RULING No. 1027/2017)**

No. Reg. Misc/12/2015-II/269

Dated: 2<sup>nd</sup> February, 2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of for hot melt adhesive glue stick / granules / chips and pellets are determined as follows:-

**2. Background of the valuation issue:** The customs values of for hot melt adhesive glue stick / granules / chips and pellets were earlier determined vide Valuation Ruling No. 739/2015 dated, 02-06-2015. Representations were received from commercial importers for determination of customs value for hot melt adhesive glue stick / granules / chips and pellets afresh. Hence, existing valuation ruling which is over one and half years old is required to be revised in the light of honorable High Court of Sind, at Karachi's orders dated 10.11.2015 in Constitutional Petition No. D-6918/2015. Since 90 days have passed and representations were received from commercial importers regarding values determined in afore mentioned valuation ruling, an exercise was initiated to re-determine the values of for hot melt adhesive glue stick / granules / chips and pellets in the light of international price trend 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 manufacturers and representatives from clearance Collectorates was held on 12-01-2017 to discuss the current international prices of the subject item. The commercial importers stated that the price of subject items are showing down ward trend in the international markets. The view point of all participant as heard in detail and considered to arrive at Customs value of for hot melt adhesive glue stick / granules / chips and pellets

**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 Subsection (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 and commercial level etc., and also it was observed that importer 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) or 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 thorough. All the information so gathered was analyzed for determination of Customs Value to 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 for hot melt adhesive glue stick / granules / chips and pellets

**5. Customs values for Hot Melt Adhesive Glue Stick / Granules / Chips and Pellets:** Hot Melt Adhesive Glue Stick / Granules / Chips and Pellets hereafter specified shall be assessed to duty / taxes at the following Customs Values:-

S. No	Description of goods	P.C.T	Proposed PCT for WEBOC	Origin	Customs Values (C&F) US\$/Kg
01	Hot Melt Adhesive Glue Stick	3506.9190	3506.9190.1000	All Origin	2.10
02	Hot Melt Adhesive Granules / Chips and Pellets	3506.9190	3506.9190.1100	India	2.50
			3506.9190.1200	China, UAE, Saudi Arabia, Indonesia, Malaysia, Thailand	3.00
			3506.9190.1300	Japan, Europe, USA, Canada	3.75

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 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 Custom 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 No. 739/2015 dated 02-06-2015.**

**(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), 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. 739/2015 dated 02-06-2015.
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