(This Ruling has been revised / superseded vide Valuation Ruling No. 1355/2019 dated 15-3-2019)
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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 POLYESTER FILAMENT YARN UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING No. 1338/2018)

File No. Misc/25/2013-VI/1431 Dated: 25th October, 2018

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Polyester filament yarn are determined as follows:-

2. Background of the valuation issue: Earlier the customs values of the polyester filament yarn were determined vide Valuation Ruling No. 1269/2018 dated 14.03.2018. There was a representation from Filament Yarn Manufacture Association (Pakistan), wherein they contended that due to the upward trend of value of basic raw materials i.e. Pure Terephthalic Acid (PTA) and Mono Ethylene Glycol (MEG) for polyester filament yarn, the customs values determined in the existing Valuation Ruling are not true reflective of prices in international markets. Keeping in view the prevailing pr ices of the subject goods, this Directorate General initiated an exercise for determination of the Customs Values of the filament yarn in terms of Section 25-A of the Customs Act, 1969.

3. Stakeholders' participation in determination of Customs values: Meeting for the determination of customs values of the Polyester filament yarn was scheduled on 04.10.2018. The importers / stakeholders were requested to submit the following documents before or during the course of stakeholders meetings so that customs values could be determined:

i) Invoices of imports during last three months showing customs 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 their content ions.

The meeting was attended by office bearers of Filament Yarn Manufacturer Association (Pakistan), Pakistan Yarn Merchants Association (PYMA), Karachi, Filament Yarn Merchant Association (FYMA), Karachi and other importers. The issues pertaining to the valuation of subject goods were de liberated upon in details.

4. Method adopted to determine Customs values: It is pertinent to mention here that the values of Polyester Filament Yarn had been determined by this Directorate General taking into consideration the import clearance data of the two major constituent raw materials of subject good i.e. P.T.A and M.E.G. The import clearance data for last three months were obtained from PRAL and data of locally manufactured P.T.A was obtained from its local manufacturers i.e. M/s Lotte Pakistan (Pvt.) Limited. Thereafter the calculation was done by the Directorate General to arrive at weighted average value of P.T.A. The weighted average value of P.T.A and M.E.G so determined was applied to the formula prescribed and circulated by the Board vide C. No.3 (20)/TA R-1/90-Yarn dated 07.04.2005 to determine the customs value of Polyester Filament Yarn. On the basis of data/information collected and exercise conducted as per above detailed formula prescribed by the Board, the values of Polyester

Filament Yarn have been determined by using Fall Back Method under Sub-Section (9) of the Section 25 of the Customs Act, 1969.

5. Customs values for Polyester Filament Yarn: Polyester Filament Yarn of different specifications hereinafter specified shall be assessed to duty / taxes at the following Customs Values:-

BASE VALUES OF POLYESTER FILAMENT YARN

BASIS OF VALUATION		**MEG value per US$ (PRAL data)**		**PTA value per US$ (PRAL data + ICI PTA)**		**MEG + PTA**	**chips / fiber**
	1	**2**	**3**	**4**	**5**	**6**	**7**
Source	**Unit**	**Per Ton**	**As Per formula (350 Kg)**	**Per Ton**	**As Per formula (870 Kg)**	**(Col.3 + Co1.5)**	**(Col.6) + $100/·**
PRAL. Data + Lotte Chemical PTA values (Jul, Aug & Sept 2018)	PER TON -	979.6	342.8	925.9	805.6	1148.4	1248.4
	PER KG	0.98	0.34	0.93	0.81	1.15	1.25

		BASE VALUES OF DRAWN TEXTURED VARN									
		YARN 75 DTY SD	**YARN 100 DTY SD**	**YARN 150 DTY SD**	**YARN 150 DTY BLACK DOPE DYED**	**YARN 300 DTYSD**	**YARN 75 DTY TWST 1000 TPMA SD**	**YARN DTY 150 OF 1000 TPM SD**	**YARN 150 OF 1500 TPM SD**	**YARN DTY (BSY) 130**	**YARN DTY (BSY) 135**
VALUE OF YARN		**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**
		(Col.7) +$455/-	(Col.7) +$375/-	(Col.7) +$300/-	(Col.7) +$420/-	(Col.7) +$250/-	(Col.7) +$1055/-	(Col.7) +$800/-	(Col.7) +$800/-	(Col.7) +$560/-	(Col.7) +$560/-
	PER TON	1703.4	1623.4	1548.4	1668.4	1498.4	2303.4	2048.4	2048.4	1808.4	1808.4
	PER KG	1.70	1.62	1.55	1.67	1.50	2.30	2.05	2.05	1.81	1.81

POLYESTER FILAMENT FLAT YARN (FDY)

VALUE OF YARN	**CATEGORY**	**YARN 45 SD FDY**	**YARN 50 FDY SD**	**YARN 50 FDY BRT**	**YARN 50 FDY BLACK DOPE DYED**	**YARN 75 FDY SD**	**YARN 75 FDY/ BRT**	**YARN 75 FDY BLACK DOPE DYED**
		18	**19**	**20**	**21**	**22**	**23**	**24**
		(Col.7) +$400/-	(Col.7) +$400/-	(Col.7) +$400/-	(Col.7) +$520/-	(Col.7) +$355/-	(Col.7) +$355/-	(Col.7) +$475/-
	PER TON	1648.4	1648.4	1648.4	1768.4	1603.4	1603.4	1723.4
	PER KG	1.65	1.65	1.65	1.77	1.60	1.60	1.72

VALUE OF YARN	**CATEGORY**	**YARN 90 FDY BLACK DOPE DYED**	**YARN 100 FDY BRT**	**YARN 100 FDY BLACK**	**YARN 150 FDY BRT**	**YARN 200 FDY BRT**	**YARN 300 FDY BRT**
		25	**26**	**27**	**28**	**29**	**30**
		(Col.7) +$395/-	(Col.7) +$275/-	(Col.7) +$395/-	(Col.7) +$200/-	(Col.7) +$200/-	(Col.7) +$150/-
	PER TON	1643.4	1523.4	1643.4	1448.4	1448.4	1398.4
	PER KG	1.64	1.52	1.64	1.45	1.45	1.40

NOTE: In case Polyester yarn (FDY/ DTY) of other than "Black Dope Dyed" color is found, the same may be cleared under section 25 of the Customs Act, 1969.

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 and the same may he communicated to this Directorate General forthwith. In

case of consignments imported by air, the assessing officer shall take into account the differential between air freight and sea freight which applying the Customs values determined in this Ruling.

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, 7th 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 app lied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of Directorate General immediately. 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. 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 of the Customs Act, 1969 or any other law in vogue there in.

11. This ruling supersedes Valuation Ruling No. 1269/2018, dated 14-03-2018.

(MUHAMMAD IQBAL MUNEEB)
Director

Copy for information to:-

1. The Member (Customs), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisement), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Director General, Intelligence and Investigation-FBR, Islamabad.
8. The Director General, Audit (Customs & Petroleum), 1st Floor, PT &T Audit Building, Mauj-e-Darya Road, Lahore.
9. The Director General, Post Clearance Audit (PCA), Islamabad.
10. The Director General, Internal Audit (Customs), Karachi.
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta Peshawar / Faisalabad.
12. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & We BOC database system and deleting Valuation Ruling No. 1049/2017, dated 20.02.2017.
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. The Chambers of Commerce-& Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & Peshawar.
16. The Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. The Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. The Karachi Customs Agents Group, Bohri Road, Karachi.
19. The CHO, Customs Valuation, Custom House, Karachi.
20. The Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisement, 1st Floor, Custom House, Karachi.
21. The Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading on FBR Website.

22. Guard File.