

GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorates, Appraisal and Facilitation (East / West) / Port Muhammad Bin Qasim / JIAP, Karachi (Appraisal & Facilitation / Enforcement and Compliance), AIIA Lahore / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta (Appraisal / Preventive) / Peshawar (Appraisal and Facilitation / Enforcement and Compliance) / Gawadar / Gilgit-Baltistan / Export (Karachi / Port Qasim)

DETERMINATION OF CUSTOMS VALUES OF POLYESTER, COTTON AND VISCOSE SUITING FABRICS UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING No. 1449/2020)

No. Misc/07/2020-IV/3073

Dated: 4th June, 2020

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of polyester/ cotton/ viscose suiting fabric are determined as follows:

2. Background of the valuation issue: The Customs values of different kinds of polyester, cotton and viscose suiting fabrics were earlier determined vide Valuation Ruling Nos. 1225/2017 dated 28-11-2017, 764/2015 dated 07-10-2015 and 1223/2017 dated 28-11-2017 respectively. The Valuation Rulings were old and values of fabric, both in international and local market, had shown varying trends. Moreover, the EDE data of Chinese Exports to Pakistan also indicated variations in values of Chinese exports values viz-a-viz Pakistani import values of fabrics. Therefore, an exercise was undertaken by this Directorate General to determine the values of subject goods, accordingly.

3. Stakeholders' participation in determination of Customs values: Meetings with stakeholders were conducted on 14-01-2020 and 06-02-2020. All the participants were asked to submit the following documents.

- i. Invoices of imports 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 items in question.
- iv. Copies of Sales Tax Invoices issued during last three 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.

The participants submitted few documents which were examined. During meetings the variation in values of Chinese Exports viz-a-viz Pakistani imports as depicted in EDE data were also discussed in detail. Most of the participants contended that the Chinese exporters show inflated values in their shipping bills to get benefits of higher rebate on such exports.

4. Methods Adopted to Determine Customs Values: Valuation methods given in Section 25 of the Customs Act, 1969, were duly applied in their sequential order to arrive at customs values of subject goods. The Transaction value method as provided in sub-Section (1) of Section 25 of the Customs Act, 1969 was found inapplicable because no substantial documents were provided by the stakeholders to prove that their declared values were true transactional values. Moreover, different values were declared by different importers for some product. Identical/similar goods value methods provided in Section 25(5) & (6) ibid were examined for applicability to determine Customs Value of subject goods. The 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. 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. Valuation method provided vide Section 25 (8) of the Customs Act, 1969, could not be applied as the conversion cost for the constituent materials and allied expenses, at country of export, were not available. Finally, PRAL database, EDE date of Chinese exports to Pakistan, 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 goods. 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, Cotton & Viscose Suiting Fabrics.

5. Customs Values of Polyester / Cotton / Viscose Suiting Fabric polyester / cotton / viscose suiting fabric of various origins *hereinafter specified*, shall be assessed to duty/taxes at the following minimum Customs values.

S. No.	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
01	Cotton Suiting Fabric (Grey)	5208.1100	5208.1100.1000	China, U.A.E, Bangladesh	4.80
		5208.1200	5208.1200.1000	Indonesia, Malaysia, Thailand, Vietnam, Korea	4.90
		5208.1300	5208.1300.1000	India (subject to importability conditions as per Import Policy Order)	4.70
		5208.1900	5208.1900.1000	Europe, U.S.A, Canada	5.30
02	Cotton Suiting Fabric (Printed/ Plain)	5208.2100	5208.2100.1000	China, U.A.E, Bangladesh	6.00
		5208.2200	5208.2200.1000		
		5208.2300	5208.2300.1000	Indonesia, Malaysia, Thailand, Vietnam, Korea	6.15
		5208.2900	5208.2900.1000		
		5208.3100	5208.3100.1000		
		5208.3200	5208.3200.1000	India (subject to importability conditions as per IPO)	5.85
		5208.3300	5208.3300.1000		
		5208.3900	5208.3900.1000		
		5208.4100	5208.4100.1000		
		5208.4200	5208.4200.1000		
		5208.4300	5208.4300.1000		
		5208.4900	5208.4900.1000		
		5208.5100	5208.5100.1000		
		5208.5200	5208.5200.1000		
		5208.5900	5208.5900.1000		
		5209.2100	5209.2100.1000		
		5209.2200	5209.2200.1000		
		5209.2300	5209.2300.1000	Europe, U.S.A, Canada	6.70
		5209.2900	5209.2900.1000		
		5209.3100	5209.3100.1000		
5209.3200	5209.3200.1000				
5209.3300	5209.3300.1000				
5209.3900	5209.3900.1000				
5209.4100	5209.4100.1000				
5209.4200	5209.4200.1000				
5209.4300	5209.4300.1000				
5209.4900	5209.4900.1000				

		5209.5100 5209.5200 5209.5900	5209.5100.1000 5209.5200.1000 5209.5900.1000		
03	Cotton Fabric Blended (Plain/Printed)	5210.2100	5210.2100.1000	China, U.A.E, Bangladesh	6.45
		5210.2900	5210.2900.1000	Indonesia, Malaysia, Thailand, Vietnam, Korea	6.60
		5210.3100	5210.3100.1000		
		5210.3200	5210.3200.1000		
		5210.3900	5210.3900.1000	India (subject to importability conditions as per IPO)	6.30
		5210.4100	5210.4100.1000		
		5210.4900	5210.4900.1000		
		5210.5100	5210.5100.1000		
		5210.5900	5210.5900.1000	Europe, U.S.A, Canada	7.35
		5211.2000	5211.2000.1000		
		5211.3100	5211.3100.1000		
		5211.3200	5211.3200.1000		
		5211.3900	5211.3900.1000		
		5211.4100	5211.4100.1000		
		5211.4200	5211.4200.1000		
		5211.4300	5211.4300.1000		
5211.4900	5211.4900.1000				
5211.5100	5211.5100.1000				
5211.5200	5211.5200.1000				
5211.5900	5211.5900.1000				
04	Cotton Fabric (Embroidered)	5212.1200	5212.1200.1000	China, U.A.E, Bangladesh	6.90
		5212.1300	5212.1300.1000	Indonesia, Malaysia, Thailand, Vietnam, Korea	7.05
		5212.1400	5212.1400.1000		
		5212.1500	5212.1500.1000		
		5212.2200	5212.2200.1000	India (subject to importability conditions as per IPO)	6.70
		5212.2300	5212.2300.1000		
		5212.2400	5212.2400.1000		
		5212.2500	5212.2500.1000		
				Europe, U.S.A, Canada	7.70
05	Polyester Ladies Shirting/ Suiting Fabric (Woven)	5407.1000	5407.1000.1000	China	8.50
		5407.4200	5407.4200.1000	Indonesia, Malaysia, Thailand, Vietnam, Korea	9.25
		5407.4300	5407.4300.1000		
		5407.4400	5407.4400.1000		
		5407.5200	5407.5200.1000	U.A.E, India (subject to importability conditions as per IPO)	11.00
		5407.5300	5407.5300.1000		
		5407.5400	5407.5400.1000		
		5407.6100	5407.6100.1000		
		5407.6900	5407.6900.1000	Europe, U.S.A, Canada	10.00
		5407.7200	5407.7200.1000		
		5407.7300	5407.7300.1000		
		5407.7400	5407.7400.1000		
		5407.8120	5407.8120.1000		
		5407.8200	5407.8200.1000		
		5407.8300	5407.8300.1000		
		5407.8400	5407.8400.1000		
		5407.9120	5407.9120.1000		
		5407.9200	5407.9200.1000		
		5407.9300	5407.9300.1000		
5407.9400	5407.9400.1000				
5512.1120	5512.1120.1000				
5512.1900	5512.1900.1000				

		5512.9120	5512.9120.1000		
		5512.9920	5512.9920.1000		
		5512.9990	5512.9990.1000		
		5513.1120	5513.1120.1000		
		5513.1220	5513.1220.1000		
		5513.1320	5513.1320.1000		
		5513.1920	5513.1920.1000		
		5513.2100	5513.2100.1000		
		5513.2300	5513.2300.1000		
		5513.2900	5513.2900.1000		
		5513.3100	5513.3100.1000		
		5513.3900	5513.3900.1000		
		5513.4100	5513.4100.1000		
		5513.4900	5513.4900.1000		
		5515.1290	5515.1290.1000		
		5515.9190	5515.9190.1000		
		5515.9990	5515.9990.1000		
				China	8.50
		5407.1000	5407.1000.1000	Indonesia, Malaysia, Thailand, Vietnam, Korea	9.25
		5407.4200	5407.4200.1000		
		5407.4300	5407.4300.1000		
		5407.4400	5407.4400.1000		
		5407.5200	5407.5200.1000	U.A.E, India (subject to importability conditions as per IPO)	11.00
		5407.5300	5407.5300.1000		
		5407.5400	5407.5400.1000		
		5407.6100	5407.6100.1000		
		5407.6900	5407.6900.1000		
		5407.7200	5407.7200.1000		
		5407.7300	5407.7300.1000		
		5407.7400	5407.7400.1000		
		5407.8120	5407.8120.1000		
		5407.8200	5407.8200.1000		
		5407.8300	5407.8300.1000		
		5407.8400	5407.8400.1000		
		5407.9120	5407.9120.1000		
		5407.9200	5407.9200.1000		
		5407.9300	5407.9300.1000		
		5407.9400	5407.9400.1000		
		5512.1120	5512.1120.1000		
		5512.1900	5512.1900.1000		
		5512.9120	5512.9120.1000	Europe, U.S.A, Canada	10.00
		5512.9920	5512.9920.1000		
		5512.9990	5512.9990.1000		
		5513.1120	5513.1120.1000		
		5513.1220	5513.1220.1000		
		5513.1320	5513.1320.1000		
		5513.1920	5513.1920.1000		
		5513.2100	5513.2100.1000		
		5513.2300	5513.2300.1000		
		5513.2900	5513.2900.1000		
		5513.3100	5513.3100.1000		
		5513.3900	5513.3900.1000		
		5513.4100	5513.4100.1000		
		5513.4900	5513.4900.1000		
		5515.1290	5515.1290.1000		
		5515.9190	5515.9190.1000		
06	Polyester Gents Shirting/Suiting Fabric (Woven)				

		5515.9990	5515.9990.1000		
07	Polyester Ladies Net Fabric	5407.1000	5407.1000.1000	China	8.50
		5407.4200	5407.4200.1000	Indonesia, Malaysia, Thailand, Vietnam, Korea	9.25
		5407.4300	5407.4300.1000		
		5407.4400	5407.4400.1000		
		5407.5200	5407.5200.1000	U.A.E, India (subject to importability conditions as per IPO)	11.00
		5407.5300	5407.5300.1000		
		5407.5400	5407.5400.1000		
		5407.6100	5407.6100.1000	Europe, U.S.A, Canada	10.00
		5407.6900	5407.6900.1000		
		5407.7200	5407.7200.1000		
		5407.7300	5407.7300.1000		
		5407.7400	5407.7400.1000		
		5407.8120	5407.8120.1000		
		5407.8200	5407.8200.1000		
		5407.8300	5407.8300.1000		
		5407.8400	5407.8400.1000		
		5407.9120	5407.9120.1000		
		5407.9200	5407.9200.1000		
		5407.9300	5407.9300.1000		
		5407.9400	5407.9400.1000		
		5512.1120	5512.1120.1000		
		5512.1900	5512.1900.1000		
		5512.9120	5512.9120.1000		
		5512.9920	5512.9920.1000		
		5512.9990	5512.9990.1000		
		5513.1120	5513.1120.1000		
		5513.1220	5513.1220.1000		
		5513.1320	5513.1320.1000		
		5513.1920	5513.1920.1000		
		5513.2100	5513.2100.1000		
		5513.2300	5513.2300.1000		
		5513.2900	5513.2900.1000		
5513.3100	5513.3100.1000				
5513.3900	5513.3900.1000				
5513.4100	5513.4100.1000				
5513.4900	5513.4900.1000				
5515.1290	5515.1290.1000				
5515.9190	5515.9190.1000				
5515.9990	5515.9990.1000				
08	Polyester Ladies Net Fabric (Embroidered)	5407.1000	5407.1000.1000	China	11.90
		5407.4200	5407.4200.1000	Indonesia, Malaysia, Thailand, Vietnam, Korea	13.00
		5407.4300	5407.4300.1000		
		5407.4400	5407.4400.1000		
		5407.5200	5407.5200.1000	U.A.E, India (subject to importability conditions as per IPO)	15.25
		5407.5300	5407.5300.1000		
		5407.5400	5407.5400.1000		
		5407.6100	5407.6100.1000	Europe, U.S.A, Canada	14.00
		5407.6900	5407.6900.1000		
		5407.7200	5407.7200.1000		
		5407.7300	5407.7300.1000		
		5407.7400	5407.7400.1000		
		5407.8120	5407.8120.1000		
		5407.8200	5407.8200.1000		
		5407.8300	5407.8300.1000		

		5407.8400 5407.9120 5407.9200 5407.9300 5407.9400 5512.1120 5512.1900 5512.9120 5512.9920 5512.9990 5513.1120 5513.1220 5513.1320 5513.1920 5513.2100 5513.2300 5513.2900 5513.3100 5513.3900 5513.4100 5513.4900 5515.1290 5515.9190 5515.9990	5407.8400.1000 5407.9120.1000 5407.9200.1000 5407.9300.1000 5407.9400.1000 5512.1120.1000 5512.1900.1000 5512.9120.1000 5512.9920.1000 5512.9990.1000 5513.1120.1000 5513.1220.1000 5513.1320.1000 5513.1920.1000 5513.2100.1000 5513.2300.1000 5513.2900.1000 5513.3100.1000 5513.3900.1000 5513.4100.1000 5513.4900.1000 5515.1290.1000 5515.9190.1000 5515.9990.1000		
09	Tulle net Fabrics (plain)	5804.1000	5804.1000.1000	China	5.98
				Indonesia, Malaysia, Thailand, Vietnam, Korea	6.50
				U.A.E, India (subject to importability conditions as per IPO)	7.65
				Europe, U.S.A, Canada	7.00
10	Tulle Fabrics (Embroidered)	5804.1000	5804.1000.1000	China	9.00
				Indonesia, Malaysia, Thailand, Vietnam, Korea	9.80
				U.A.E, India (subject to importability conditions as per IPO)	11.50
				Europe, U.S.A, Canada	10.50
11	Polyester Ladies Suiting Fabric Knitted	6005.2120 6005.2200 6005.2300 6005.2400 6005.3120 6005.3200 6005.3300 6005.3400 6005.4120 6005.4200 6005.4300 6005.4400 6005.9090 6006.2200	6005.2120.1000 6005.2200.1000 6005.2300.1000 6005.2400.1000 6005.3120.1000 6005.3200.1000 6005.3300.1000 6005.3400.1000 6005.4120.1000 6005.4200.1000 6005.4300.1000 6005.4400.1000 6005.9090.1000 6006.2200.1000	China	6.00
				Indonesia, Malaysia, Thailand, Vietnam, Korea	6.35
				U.A.E, India (subject to importability conditions as per IPO)	7.45
				Europe, U.S.A, Canada	6.90

		6006.2300 6006.2400 6006.3120 6006.3200 6006.3300 6006.3400 6006.4120 6006.4200 6006.4300 6006.4400 6006.9090	6006.2300.1000 6006.2400.1000 6006.3120.1000 6006.3200.1000 6006.3300.1000 6006.3400.1000 6006.4120.1000 6006.4200.1000 6006.4300.1000 6006.4400.1000 6006.9090.1000		
12	Polyester Ladies Shirting/ Suiting Fabric (Chenille/ Velvet)	5801.2600	5801.2600.1000	China	10.75
		5801.2700	5801.2700.1000	Indonesia, Malaysia, Thailand, Vietnam, Korea	11.70
		5801.3100	5801.3100.1000	U.A.E, India (subject to importability conditions as per IPO)	13.80
		5801.3200	5801.3200.1000	Europe, U.S.A, Canada	12.55
		5801.3300	5801.3300.1000		
		5801.3600	5801.3600.1000		
		5801.3700	5801.3700.1000		
		5801.9000	5801.9000.1000		
		5801.9000	5801.9000.1000		
		8504.1000	8504.1000.1000		
8504.2100	8504.2100.1000				
8504.2900	8504.2900.1000				
5809.9000	5809.9000.1000				
5907.0000	5907.0000.1000				
13	Polyester Pile Fabric (Knitted/ Narrow Knitted)			China	4.90
		6001.2290	6001.2290.1000	Indonesia, Malaysia, Thailand, Vietnam, Korea	6.50
		6001.2990	6001.2990.1000	U.A.E, India (subject to importability conditions as per IPO)	6.70
		6001.9290	6001.9290.1000	Europe, U.S.A, Canada	6.70
		6001.9990	6001.9990.1000		
14	Polyester Fabric (Georgette Chiffon) (20 to 27 Meter per Kg)	5407.1000	5407.1000.1000	China	10.50
		5407.4200	5407.4200.1000	Indonesia, Malaysia, Thailand, Vietnam, Korea	10.50
		5407.4300	5407.4300.1000	U.A.E, India (subject to importability conditions as per IPO)	12.00
		5407.4400	5407.4400.1000	Europe, U.S.A, Canada	10.50
		5407.5200	5407.5200.1000		
		5407.5300	5407.5300.1000		
		5407.5400	5407.5400.1000		
		5407.6100	5407.6100.1000		
		5407.6900	5407.6900.1000		
		5407.7200	5407.7200.1000		
		5407.7300	5407.7300.1000		
		5407.7400	5407.7400.1000		
		5407.8120	5407.8120.1000		
		5407.8200	5407.8200.1000		
		5407.8300	5407.8300.1000		
		5407.8400	5407.8400.1000		
		5407.9120	5407.9120.1000		
		5407.9200	5407.9200.1000		
		5407.9300	5407.9300.1000		
		5407.9400	5407.9400.1000		
5512.1120	5512.1120.1000				
5512.1900	5512.1900.1000				

		5512.9120	5512.9120.1000		
		5512.9920	5512.9920.1000		
		5512.9990	5512.9990.1000		
		5513.1120	5513.1120.1000		
		5513.1220	5513.1220.1000		
		5513.1320	5513.1320.1000		
		5513.1920	5513.1920.1000		
		5513.2100	5513.2100.1000		
		5513.2300	5513.2300.1000		
		5513.2900	5513.2900.1000		
		5513.3100	5513.3100.1000		
		5513.3900	5513.3900.1000		
		5513.4100	5513.4100.1000		
		5513.4900	5513.4900.1000		
		5515.1290	5515.1290.1000		
		5515.9190	5515.9190.1000		
		5515.9990	5515.9990.1000		
15	Viscose Suiting Fabric (Grey)	5804.2100	5804.2100.1000	China	6.00
				Other Origin	6.35
16	Viscose Suiting Fabric (Plain)	5408.2200	5408.2200.1000	China	7.40
		5408.2300	5408.2300.1000		
		5408.2400	5408.2400.1000		
		5516.1100	5516.1100.1000	Other Origin	7.80
		5516.1200	5516.1200.1000		
		5516.1300	5516.1300.1000		
		5516.1400	5516.1400.1000		
17	Viscose Suiting Fabric (Printed, Dyed)	5408.2200	5408.2200.1000	China	8.00
		5408.2300	5408.2300.1000		
		5408.2400	5408.2400.1000		
		5516.1100	5516.1100.1000	Other Origin	8.45
		5516.1200	5516.1200.1000		
		5516.1300	5516.1300.1000		
		5516.1400	5516.1400.1000		
18	Viscose Suiting Fabric (Embroidered)	5408.2200	5408.2200.1000	China	8.20
		5408.2300	5408.2300.1000		
		5408.2400	5408.2400.1000		
		5516.1100	5516.1100.1000	Other Origin	8.65
		5516.1200	5516.1200.1000		
		5516.1300	5516.1300.1000		
		5516.1400	5516.1400.1000		

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 be communicated to this Directorate General forthwith. In case of consignment imported by air, the assessing officer shall take into account the different between air freight and sea freight while applying the Customs values determined in this Ruling.

7. Validity of Valuation Ruling: The values determined vide this Ruling shall be the applicable Customs values 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: 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, 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 this 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 Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the above table of this Ruling. HS Codes are mentioned for illustrative purpose 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.

9. This ruling supersedes Valuation Rulings Nos. 764/2015 dated 07-10-2015, 1223/2017 dated 28-11-2017 and 1225/2017 dated 28-11-2017.

(SHAFIQUE AHMAD LATKI)
Director

Copy for information to:-

- 1) The Member Customs (Policy/Operations), 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 Chief Collector of Customs, (Enforcement), Custom House, Quetta.
- 8) The Director General, Intelligence and Investigation-FBR, Islamabad.
- 9) The Director General, PCA& Internal Audit, Karachi.
- 10) The Director General, IOCO, Karachi
- 11) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta / Peshawar / Faisalabad.
- 12) The Director, Directorate of Customs Valuation, Lahore.
- 13) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
- 14) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 15) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 16) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 17) The Web master, Federal Board of Revenue, Islamabad.
- 18) Guard File.