

(This Ruling has been revised / superseded vide Valuation Ruling No. 1803/2023 dated 12-09-2023)

**GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS (VALUATION)
7TH FLOOR, CUSTOM HOUSE KARACHI**

The Collectors of Customs, Collectorate of Customs (Appraisement - West) / Appraisement East / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad / (Appraisement / Enforcement), Quetta / Gawadar / (Appraisement / Enforcement / AIIA), Lahore / Appraisement, Faisalabad / Appraisement, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisement / Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim / Custom House, Karachi) / Transit Trade, Karachi.

DETERMINATION OF CUSTOMS VALUES OF METALLIC YARN UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING No. 1791/2023)

No. Misc/02/2010-IV/650

Dated: 26th June, 2023

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Metallic Yarn are determined as follows:

2. Background of the valuation issue: Earlier, the Customs values of Metallic Yarn were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No. 1706/2022 dated 12-12-2022. Representation was received from M/s. Pakistan Yarn Merchant Association (PYMA), for revision/re-determination of Customs values for the subject items. The PYMA argued that the values of subject goods had drastically gone down in the international market and the Customs values so determined (vide the afore-referred Valuation Ruling) were not reflective of prevailing prices in international market; therefore, they requested to undertake a fresh exercise to determine the customs value of the impugned goods.

3. Stakeholders' participation in determination of Customs values: Meeting was convened on 17.05.2023 which was attended by all the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meeting.

4. Analysis / Exercise done to determine Customs Values: The members of PYMA contended that the values - declared by them, along-with those provided to the Valuation Department through contracts / invoices / Proposal finalized by them with their suppliers - should be accepted. According to them, the prices in the international market had decreased up to 10%. So, they made the case that existing customs values of the impugned goods should be reduced accordingly. On the other hand, the manufacturers argued that the decline in prices of the said item in the international market had not decreased that much. They stated that decrease in values of metallic yarn in the international market had taken place. In furtherance of the exercise to determine the customs values of metallic yarn, Ninety (90) days' data was also retrieved and the same was scrutinized.

5. Method(s) adopted to determine Customs values: Valuation methods specified in Section 25 of the Customs Act, 1969, were duly applied in their sequential order to arrive at the Customs value of subject goods. The transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was found inapplicable due to absence of additional information under sub-section (2) of Section 25 of the Customs Act, 1969 required to arrive at correct transaction value. Therefore, 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 indicated the range of values, declared by the importers, from US\$ 3.60/Kg to US\$ 4.6/Kg. On the basis of available data/information collected and exercise conducted the values of Metallic Yarn have been determined under sub-section (5), read with Section 25 (9), of Section 25 of the Customs Act, 1969.

5. Customs values for Metallic Yarn: The Metallic Yarn hereinafter specified shall be assessed to duty/taxes at the Customs values as per the following Table.

| S. No. | Description of Goods | PCT Code | Proposed PCT for WEOC | Origin | Customs Values C&F (US\$/KG) |
|--------|---|-----------|-----------------------|------------|------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| 1. | Aluminum Metalized Metallic Yarn (All Colors) M-Type | 5605.0000 | 5605.0000.1000 | China | 3.55 |
| | | | 5605.0000.1100 | UAE | 4.70 |
| | | | 5605.0000.1200 | Japan | 5.20 |
| | | | 5605.0000.1300 | Sri Lanka | 4.50 |
| | | | 5605.0000.1400 | Bangladesh | 4.50 |
| | | | 5605.0000.1500 | Georgia | 4.45 |
| | | | 5605.0000.1600 | Others | 4.00 |
| 2. | Aluminum Metalized Metallic Yarn (All Colors) ST/MX/MS-Type | 5605.0000 | 5605.0000.1700 | China | 3.75 |
| | | | 5605.0000.1800 | UAE | 4.90 |
| | | | 5605.0000.1900 | Japan | 5.35 |
| | | | 5605.0000.2000 | Sri Lanka | 4.70 |
| | | | 5605.0000.2100 | Bangladesh | 4.70 |
| | | | 5605.0000.2200 | Georgia | 4.65 |
| | | | 5605.0000.2300 | Others | 4.20 |
| 3 | Aluminum Metalized Metallic Yarn (All Colors) Nylon / Viscose | 5605.0000 | 5605.0000.2400 | China | 5.40 |
| | | | 5605.0000.2500 | UAE | 6.60 |
| | | | 5605.0000.2600 | Japan | 7.10 |
| | | | 5605.0000.2700 | Sri Lanka | 6.35 |
| | | | 5605.0000.2800 | Bangladesh | 6.35 |
| | | | 5605.0000.2900 | Georgia | 6.35 |
| | | | 5605.0000.3000 | Others | 5.85 |

7. In cases, where declared 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 difference between air freight and sea freight while applying the Customs values in this Ruling.

8. Validity of this Valuation Ruling: This Ruling, containing the Customs values for assessment of subject imported goods, shall be applicable until and unless the same are rescinded or revised by the competent authority in terms of sub-Section (4) of Section 25A of the Customs Act, 1969.

9. Revision of the value determined vide this Valuation Ruling: If aggrieved, a revision petition may be filed against this ruling as provided under Section 25D of the Customs Act, 1969, within 30 days from the date of its issuance, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

10. 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 concerning assessing officers/officials without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. The Customs values determined in the ruling are for the descriptions and specifications as mentioned in Para-6 of this Ruling. HS Codes are mentioned for illustrative purposes so that Valuation Ruling is made accessible to the assessing officers. The assessments shall be finalized on the basis of correct classifications after fulfilling all formalities related to importability or other certifications required thereon.

10. This Ruling superseded Valuation Ruling No. 1706/2022 dated 12-12-2022.

(FAYAZ RASOOL MAKEN)
Director

Copy for information to:-

1. The Member Customs (Operations), Federal Board of Revenue, Islamabad.

2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, Appraisalment (South), Custom House, Karachi.
4. The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
5. The Chief Collector of Customs, Appraisalment (Central), Custom House, Lahore.
6. The Chief Collector of Customs, Enforcement (Central), Custom House, Lahore
7. The Chief Collector of Customs (North), Custom House, Islamabad.
8. The Chief Collector of Customs, Baluchistan, Custom House, Quetta.
9. The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
10. The Director General, Intelligence and Investigation (Customs) FBR, Islamabad.
11. The Director General, PCA & Internal Audit, Karachi.
12. The Director General, IOCO, Karachi.
13. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
14. The Director, Transit Trade, Custom House, Karachi.
15. The Director, Directorate of Customs Valuation, Lahore/Quetta/Peshawar.
16. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
17. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
18. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
19. The Karachi Customs Agents Association, Bohri Road, Karachi.
20. The Webmaster, Federal Board of Revenue, Islamabad.
21. Guard File.