

**GOVERNMENT OF PAKISTAN**  
**DIRECTORATE GENERAL OF CUSTOMS VALUATION**  
**7<sup>TH</sup> FLOOR, CUSTOM HOUSE, KARACHI**

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**The Collectors of Customs,** Collectorates of Customs (Appraisement - West) / Appraisement - East / SAPT / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad / (Appraisement / Enforcement), Quetta / Gawadar / Khuzdar (Appraisement / Enforcement / AIIA), (Appraisement - East / Appraisement - West, Lahore / Faisalabad Appraisement / Enforcement, Sargodha / Enforcement, 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 PVC STABILIZER UNDER SECTION**  
**25-A OF THE CUSTOMS ACT, 1969**  
**(VALUATION RULING NO. 1831/2023)**

C.No.V.Khi//08/25A/PVC-Stab/2021-II/1101

Dated: 04<sup>th</sup> December, 2023

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

**Background of the valuation issue:** Earlier, the Customs value of PVC Stabilizer was determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1583/2021 dated 14-12-2021. However, different stakeholders requested to re-determine customs values afresh in line with values prevalent in the international market. Therefore, an exercise has been undertaken by this Directorate to determine the same.

**2. Stakeholders' participation in determination of Customs values:** Meetings were convened on 26.10.2023 & 06-11-2023, which were 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. The participants submitted their proposals for consideration and the same were considered pertaining to the valuation of subject goods.

**3. Analysis / Exercise done to determine Customs Values:** The importers contended that the values are higher in the Valuation Ruling and the same need to be revised downwards at prevailing international prices. They also submitted proposals in this regard. Mr. Muhammad Abbas of M/s. Subhan Trading and Mr. Muhammad Owais of M/s. Pak Turk Traders said that they import PVC Stabilizer in flakes form for use in pipe industry. They further argued that the importers of China & Malaysia origin enjoy benefits of FTA, while their companies pay duty of around US\$700,000/ year. Mr. Ahsanullah Subhan, Managing Director of M/s. Subhan Trading, stated that the local cost of production is unbearable due to high cost of raw material i.e., Lead Sulphate at around US\$2600-2700/MT. Korea has its own lead due to which the powdered form of PVC Stabilizer is produced abundantly in that country. The current value of Korean PVC Stabilizer is US\$1500-1600/MT. Shipping cost is higher from Korea to Pakistan than that of Turkey to Pakistan. Liquid form of PVC Stabilizer, like powdered form, has a different manufacturing process from flakes form. It is costly and used in shoes in addition to these proposals, Ninety (90) days' clearance data has also been retrieved and the same has been scrutinized.

**4. Method (s) adopted to determine Customs values:** Valuation methods specified in Section 25 of the Customs Act, 1969, were duly applied in sequential order to arrive at the 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 due to absence of information as required under sub-section (2) of Section 25 of Customs Act, 1969. Therefore, identical goods value method provided in Section 25(5) was examined for applicability to determine Customs values of subject goods. The data provided some applicable reference values. Subsequently, similar goods value method provided in Section 25(6) was examined for applicability to determine Customs value of subject goods. The assessed values in similar goods import data of PVC Stabilizer of various forms for the last 90 days of

various origins reflected values as per previous VR No. 1583/2121 dated 14-12-2021. However, Declared Values (DV) of similar goods had showed consistent variations. Hence, this method was also found inapplicable. Market enquiry as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969 was also conducted but could yield no results because PVC Stabilizer of different forms, being industrial goods, were not readily available in the local market. In line with statutory sequential order of section 25, Computed value method, as provided in Section 25(8) of the Customs Act, 1969 was examined, but the same also could not be applied as the conversion cost from the constituent materials and allied expenses, in the country of export, were not available for manufacturing of PVC Stabilizer. The available data / information collected such as sales contracts, proforma invoices, and Export GDs of the stakeholders was thoroughly scrutinized and freight value at the time of previous VR No. 1583/2021 dated 14-12-2021 and prevailing freight values have been examined which are drastically reduced. Finally, the Customs values of the subject goods have been determined under Section 25(9), read with Section 25(5), and Customs Rule 121(2) of Customs Rules, 2001 which provides that the methods of valuation, to be employed under sub-section (9) of section 25 of the Act may be inclusive of those laid down in sub-sections (1), (5), (6), (7) and (8) of the said section, but a reasonable flexibility in the application of such methods would be in conformity with the aims and provisions of sub-section (9) of that section.

**5. Customs Values for PVC Stabilizer:-** PVC Stabilizer, hereinafter specified shall be assessed to duty / taxes on the Customs values as per the following table:

S. No.	Description of Goods	PCT Code	Proposed PCT for WEOC	Origin	Customs Value (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	PVC Stabilizer in all forms (i.e. flakes; powder; beads) other than liquid form	3812.3900	3812.3900.1000	All Origins	1.70

6. 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 officers shall take into account the difference between air freight and sea freight while applying the Customs values in this Ruling.

**7. 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 is rescinded or revised by the competent authority in terms of sub-section (4) of Section 25A of the Customs Act, 1969.

**8. Revision of the values 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, 7<sup>th</sup> Floor, Custom House, Karachi.

9. The Collectors of Customs may kindly ensure that the values given in this Valuation Ruling are applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. Customs values determined in the Ruling are for the description and specification as mentioned in the table above of this Ruling. PCT Codes are mentioned for illustrative purposes 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 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 15 of the Customs Act, 1969 or any other law in vogue therein.

**10. This Valuation Ruling supersedes the Valuation Ruling No. 1583/2021 dated 14-12-2021.**

**(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, Appraisement (South), Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisement (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 / Hyderabad / Multan.
- 14) The Director General, 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.