



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorate, Appraisal (East / West / Port Qasim / Preventive, Karachi / Lahore (Appraisal / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan/ Exports (Karachi/ Port Qasim) .

Determination of Customs Values of Kraft Paper Bags for 50kg of Cement
Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 103/2017)

No. Mics/01/2017-III | 981

Dated: February 3rd, 2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Kraft Paper Bags for 50kg of Cement are determined as follows:-

2. **Description of the valuation issue:** The Customs values of Kraft Paper Bags for 50kg of Cement were circulated vide VDB letter No.37 dated 24-08-2016. Certain importers have requested to convert the same in a Valuation Ruling. An exercise was conducted to determine Customs values of Kraft Paper Bags for 50kg of Cement in line with current price trend in the international market.

3. **Stakeholder's participation in determination of Customs values:** Stakeholders' meeting was scheduled on 03-02-2017. All participants were requested 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 item 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.

4. The meeting was attended by importers of Kraft Paper Bags for 50kg of Cement. The importers requested that the prices of the subject commodity were lower in the international market as compared to the values circulated vide VDB letter 37 dated 24-08-2016. They further submitted that they are industrial concerns and the subject goods are imported for industrial purposes for packing of cement. They contended that they declare their import values correctly as per their contracts with international manufacturers and suppliers. Some importers submitted sales contracts and commercial invoices, however, the remaining requisitioned documents were not submitted by the importers.



5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available as per law. Identical / similar goods value methods provided in Section 25(5) & (6) were also not found helpful in determination of values due to wide variation in values. Thereafter, market enquiry as envisaged under Section 25(7) of the Customs Act, 1969, could not be conducted because the subject goods are industrial item. Online values were also checked. Since the manufacturers' costs and raw material prices of producing the goods in question in the country of exportation were not available, computed value method as provided in Section 25(8) could not be applied for valuation of the aforesaid goods. Consequently, reliance was placed upon Sub-Section (9) of Section 25 of the Customs Act, 1969, and customs values of Kraft Paper Bags for 50kg of Cement were determined under Section 25(9) of the Customs Act, 1969.

6. **Customs Values of Kraft Paper Bags for 50kg of Cement hereinafter specified,** shall be assessed to duty/taxes on the Customs values mentioned against them in the Table below:

S. No.	Description of Goods	PCT	Proposed PCT For WEOC	Origin	Customs Values (C&F) US\$/kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Kraft Paper Bags for 50kg of Cement	4819.3000	4819.3000.1000	Sri Lanka	1.00
2		4819.3000	4819.3000.1100	Other Origins	1.05

7. 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 Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account air freight while applying the Customs values determined in this Ruling.

8. **Validity of 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.

9. **Review of the value determined vide this Valuation Ruling:** A review 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.



10. 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 the ruling are for the description and specification as mentioned in the table above 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 thereon.

(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, Islamabad.
8. Director General, Post Clearance Audit, Islamabad.
9. Director, Intelligence & Investigation, Karachi/ Lahore/ Islamabad/Quetta/Peshawer/Faisalabad.
10. The Project Director, WeBOC, 11th Floor, Custom House, Karachi.
11. Director, Customs Valuation, Custom House, Lahore.
12. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading this Val. Ruling in One Customs & WeBOC database and deleting values circulated vide VDB letter No.37 dated 24.08.2016 from the System.
13. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
14. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
15. Customs Revenue Audit, 8th Floor, Custom House, Karachi.
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisalment, 1st floor, Custom House, Karachi.
21. Guard File.