



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 VALUE OF CIPROFLOXACIN BASE AND PROFLOXACIN HCL UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

No. Misc/03/2017-II

336

Dated 09-02-2017

(VALUATION RULING NO. 1038/2017)

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Ciprofloxacin Base and Ciprofloxacin HCL are determined as follows:-

**2. Background of the valuation issue:** The values of Ciprofloxacin Base and Ciprofloxacin HCL for reference/guidance were earlier issued vide VDB No. 66/2016 dated 21-10-2016. However several representations were received from importers of pharmaceutical raw materials for determination of customs value of Ciprofloxacin Base and Ciprofloxacin HCL afresh considering the current international prices.

**3. Stakeholders' participation in determination of Customs values:** Meeting with all stakeholders including importers of pharmaceutical raw materials and representatives from clearance Collectorates, was held on 02.02.2017 to discuss the current international prices of the subject item. The commercial importers stated that the prices of subject item are showing down ward trend in the international markets. The view point of all participants was heard in detail and considered to arrive at Customs values of Ciprofloxacin Base and Ciprofloxacin HCL.

**4. Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to address the particular valuation issue at hand. The transaction value method as provided in Sub-Section (1) of Section 25, found inapplicable in light of the wide variety of invoices submitted at import stage the veracity of which could not be ascertained fully, hence requisite information required under law was not available to arrive at the correct transaction value. Identical / similar goods value method provided vide Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to determine Customs value of subject goods, this 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. 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 being industrial raw material (pharmaceutical Industry raw material) it is not available to all for retail sale. The valuation method provided vide Section 25 (8) of Customs Act 1969, could not be applied as

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the conversion cost from constituent materials and allied expenses, at country of export were are not available. Finally, PRAL database and international prices through Web were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject items. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive assessable customs values of Ciprofloxacin Base and Ciprofloxacin HCL.

5. **Customs values for Ciprofloxacin Base and Ciprofloxacin HCL:** Ciprofloxacin Base and Ciprofloxacin HCL *hereinafter specified* shall be assessed to duty/taxes at the following Customs Values :-

S. No	Description of goods	PCT Code	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/KG
1.	CIPROFLOXACIN BASE	2933.5930	2933.5930.1000	CHINA	32.70
1.	CIPROFLOXACIN HCL	2933.5930	2933.5930.1100	CHINA	21.00

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

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, 7<sup>th</sup> 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 applied by the concerned staff without fail. Any anomaly observed may kindly be brought to the notice of Directorate General immediately.

10. *The data Base value No. DG/VDB/REF/66/2016-II/9676 dated 21.10.2016 stands with drawn.*

(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-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1<sup>st</sup> Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
9. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & We BOC data base system and deleting Data Base Value Nos DG/VDB/REF/66/2016-II/9676 dated 21.10.2016
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. Law Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi / MCC, Appraisalment, 1<sup>st</sup> Floor, Custom House, Karachi.
21. Guard File.

(Dr. Wasif Ali Memon)  
Director