



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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 values of chemicals, Boric acid, Aluminum Oxide, Chromic Acid, Barium Chloride, Sodium Meta Bi Sulphite, Sodium Hexa Meta Phosphate, Borax DecaHydrate, Brown Aluminum Oxide, Sodium Acid Pyrophosphate, Dipentene, Chloroform, Stearic Acid(single & triple pressed), Mono & Di Ethylene Glycol and Perchloro Ethylene under Section 25-A of the Customs Act, 1969.

(VALUATION RULING NO. 1040/2017)

No. Misc./29/2012 -II (Part-B)

358

Dated: 13-02-2017

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Chemicals, i.e. Boric acid, Aluminum Oxide, Chromic Acid, Barium Chloride, Sodium Meta Bi-Sulphite, Sodium Hexa Meta Phosphate, Borax Decahydrate, Brown Aluminum Oxide, Sodium Acid Pyrophosphate, Dipentene, Chloroform, Stearic Acid(single & triple pressed), Mono & Di Ethylene Glycol and Perchloro Ethylene are determined as follows:

- 2. Background of the valuation issue:** The custom values of the subject Chemicals were earlier determined vide Valuation Ruling No 938/2016 dated 26.9.2016. There were several representations from different traders and trade bodies i.e. Pakistan Chemicals and Dyes Merchants Association (PCDMA), for determination of customs value of the chemicals a fresh. More over the importers have claimed that the prices of subject chemicals are showing down ward trend in the International market hence existing valuation ruling, which is over four months old is required to be revised in the light of honorable High Court of Sind, at Karachi's orders dated 10.11.2015 in Constitutional Petition No. D- 6918/2015. Since 90 days have passed and a number of representations were received from commercial importers and Pakistan Chemicals and Dyes Merchants Association regarding values determined in the valuation ruling dated 26.9.2016, hence an exercise was initiated to re-determine the values of subject items.
- 3. Stakeholders' participation in determination of Customs values:** Meeting with all the stakeholders including importers, trade bodies i.e. Pakistan Chemicals and Dyes Merchants Association (PCDMA) and representatives from clearance Collectorates, was held on 07.02.2017 to discuss the current international prices of the subject chemicals. The view point of all participants was heard in detail and considered to arrive at Customs value for subject Chemicals.
- 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., and also it was observed that importers usually provided misleading description while declaring goods, as other types and varieties of similar goods to avoid the application of valuation ruling. 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. Therefore, valuation method provided vide Section 25 (8) of Customs Act 1969, could not be applied as the conversion cost from constituent materials and allied expenses, at country of export were are not available. Finally, Pral database, 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 good. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive assessable customs values of the subject chemicals.

5. Customs values for Chemicals: The Chemicals, i.e. Boric acid, Aluminum Oxide, Chromic Acid, Barium Chloride, Sodium Meta Bi-Sulphite, Sodium Hexa Meta Phosphate, Borax Decahydrate, Brown Aluminum Oxide, Sodium Acid Pyrophosphate, Dipentene, Chloroform, Stearic Acid(single & triple pressed), Mono & Di Ethylene Glycol and Perchloro Ethylene *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values :-

S. No	Description of goods	Origin	PCT	Proposed PCT for WEBOC	Customs Values (C&F) USS/Kg
(1)	(2)	(5)	(3)	(4)	(6)
1	BORIC ACID	All origins	2810.0020	2810.0020.1000	0.88
2	ALUMINIUM OXIDE (Ceramic Grade)	All origins	2818.2000	2818.2000.1000	0.72
3	ALUMINIUM OXIDE (excluding Ceramic Grade)	All origins	2818.2000	2818.2000.1100	1.10
4	CHROMIC ACID/ CHROMIUM TRIOXIDE (ALL GRADES)	N.America & Europe	2819.1000	2819.1000.1000	3.10
		All other origins	2819.1000	2819.1000.1100	2.50
5	BARIUM CHLORIDE	China	2827.3900	2827.3900.1000	0.48
6	SODIUM META BISULPHITE	China	2832.1090	2832.1090.1000	0.30



7	SODIUM HEXA META PHOSPHATE (40% & below)	China	2832.1090	2832.1090.1100	0.73
8	SODIUM HEXA META PHOSPHATE (40.1% & above)	China	2832.1090	2832.1090.1200	1.00
9	SODIUM HEXA META PHOSPHATE (Food Grade)	Thailand	2832.1090	2832.1090.1300	1.20
10	BORAX DECAHYDRATE	Turkey	2840.1900	2840.1900.1000	0.50
		U.S.A	2840.1900	2840.1900.1100	0.525
11	BROWN ALUMINIUM OXIDE	China	2818.2000	2818.2000.1000	0.88
12	SODIUM ACID PYROPHOSPHATE (Food Grade)	China	2835.3900	2835.3900.1000	0.98
		Thailand	2835.3900	2835.3900.1100	1.05
13	DIPENTENE/ URINONENE LIMOMENE/TERPODIENE	China	2902.1920	2902.1920.1000	1.44
14	CHLOROFORM (TRICHLOROMETHANE)	Russia/	2903.1300	2903.1300.1000	0.35
		China			
		All other origins	2903.1300	2903.1300.1100	0.32
15	STEARIC ACID (SINGLE PRESSED)	All origins	3823.1100	3823.1100.1000	0.85
16	STEARIC ACID (TRIPLE PRESSED)	All origins	3823.1100	3823.1100.1200	1.05
17	MONO ETHYLENE GLYCOL (MEG)	All origins	2905.3100	2905.3100.1000	1.04
18	DI- ETHYLENE GLYCOL (DEG)	All origins	2905.4100	2905.4100.1000	1.00
19	PERCHLORO ETHYLENE (TETRA CHLORO ETHYLENE)	All origins	2903.2300	2903.2300.1000	0.70

Note: The customs values determined of Mono Ethylene Glycol (MEG) and Di- Ethylene Glycol (DEG) above are for imports in drum packing.

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 request 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, 7th 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. *This Ruling supersedes Valuation Ruling No.938/2016 dated 26.9.2016.*


(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 (Appraisal), 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), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. 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 Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No.938/2016 dated 26.09.2016.
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, 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, Appraisal, 1st Floor, Custom House, Karachi.
21. Guard File.


(Dr. Wasif Ali Memon)
Director