



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

DETERMINATION OF CUSTOMS VALUES OF CHEMICALS, METHYLENE CHLORIDE, PROPYLENE GLYCOL, SODIUM- BI -CARBONATE, MONO SODIUM GLUTAMATE, CALCIUM ACETATE AND CALCIUM PROPIONATE UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969.

No .Misc./14/2009-II

381

(VALUATION RULING NO. 1044 /2017)

Dated: 14-02-2017

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Chemicals namely Methylene Chloride, Propylene Glycol, Sodium Bi Carbonate, Mono Sodium Glutamate, Calcium Acetate and Calcium propionate are determined as follows:

2. **Background of the valuation issue:** Consequent upon in the back drop of the Director General Customs Valuation orders vide Order-In- Revision No. 271/2016 dated 14.12.2016, regarding revision of Valuation Ruling No. 948/2016 dated 06.10.2016, with reference to customs value of Propylene Glycol Thai land origin, an exercise was undertaken to re-determine the customs values of subject chemicals, in terms of Section 25-A of the Customs Act, 1969. There were also several representations from different importers/ traders and trade bodies i.e. Pakistan Chemicals and Dyes Merchants Association (PCDMA), for determination of customs value of the subject chemicals. 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 90 days 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 trade Associations regarding values determined in afore mentioned valuation ruling, hence an exercise was initiated to re-determine the values of subject chemicals.

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 11.01.2017 and 09.02.2017 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 i.e. Methylene Chloride, Propylene Glycol, Sodium Bi Carbonate, Mono Sodium Glutamate, Calcium Acetate and Calcium propionate; The Chemicals namely Methylene Chloride, Propylene Glycol, Sodium Bi Carbonate, Mono Sodium Glutamate, Calcium Acetate, Calcium propionate and *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values :-

S. No	Description of goods	Origin	PCT	Proposed PCT for WEOC	Customs Values (C&F) US\$/Kg
(1)	(2)	(5)	(3)	(4)	(6)
1	METHYLENE CHLORIDE	Europe	2903.1200	2903.1200.1000	0.63
		All other origins	2903.1200	2903.1200.1200	0.55
2	PROPYLENE GLYCOL (Pharma Grade)	Korea	2905.3200	2905.3200.1000	1.50
		Germany/ France	2905.3200	2905.3200.1100	1.60
		U. S. A	2905.3200	2905.3200.1200	1.60
		Singapore	2905.3200	2905.3200.1300	1.55
		China	2905.3200	2905.3200.1400	1.35
		South Africa	2905.3200	2905.3200.1500	1.50
		Thai land	2905.3200	2905.3200.1600	1.55
		All other origins	2905.3200	2905.3200.1700	1.50



3	PROPYLENE GLYCOL (Industrial Grade)	Korea	2905.3200	2905.3200.1800	1.45	
		Germany/ France	2905.3200	2905.3200.1900	1.55	
		U. S. A	2905.3200	2905.3200.2000	1.55	
		Singapore	2905.3200	2905.3200.2100	1.50	
		China	2905.3200	2905.3200.2200	1.30	
		South Africa	2905.3200	2905.3200.2300	1.45	
		Thailand	2905.3200	2905.3200.2400	1.50	
		All other origins	2905.3200	2905.3200.2500	1.45	
4	SODIUM BI CARBONATE (Food Grade)	China	2836.3000	2836.3000.1000	0.25	
		Turkey	2836.3000	2836.3000.1100	0.28	
		All other origins	2836.3000	2836.3000.1200	0.31	
5	SODIUM BI CARBONATE (Pharma Grade)	China	2836.3000	2836.3000.1300	0.37	
		Korea	2836.3000	2836.3000.1400	0.40	
		U.K /E.U	2836.3000	2836.3000.1500	0.59	
6	Mono Sodium Glutamate (Ajinomoto Brand)	All origins	2922.4210	2922.4210.1000	In Bulk packing	In Retail packing
					1.50	1.70
7	Mono Sodium Glutamate (Other Brands)	All origins	2922.4210	2922.4210.1100	In Bulk packing	In Retail packing
					1.05	1.30
8	Calcium Acetate Powder Food Grade	Germany	2915.2910	2915.2910.1000	1.25	
9	Calcium Propionate Food Grade	Germany	2915.5000	2915.5000.1000	1.27	

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 Nos. 948/2016 dated 06.10.2016.**


(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 (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), 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/Faisal abad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC data base system and deleting Valuation Ruling No 948/2016 dated 06.10.2016.
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, 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.


(Dr. Wasif Ali Memon)
Director