



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 VALUES OF POLYESTER FILAMENT YARN  
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1049 / 2017)

File No. Misc/25/2013-VI

Dated: 20 -02-2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Polyester Yarn of different origins, are determined as follows: -

2. **Background of the valuation issue:** It was observed from import data that the international trading prices of Polyester Filament Yarn are on the higher side compared with the prices of old valuation ruling issued vide no. 928/2016 dated 19-09-2016. In this context, an exercise was initiated for fresh determination of value as per international market prices.
3. **Stakeholders' participation in determination of Customs values:** A meeting for the determination of customs values of Polyester Yarn was scheduled on 01-02-2017 and 10-02-2017. All participants were requested to bring the following:-
  - 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 four 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 office bearers of Pakistan Yarn Merchants Association (PYMA), Karachi and Filament Yarn Merchants Association (FYMA), Karachi. Commercial importers as well as local manufactures were present and the issues pertaining to the valuation of subject goods were deliberated upon in details and the representatives of these Associations were confronted with the working /calculations done by the Department. The manufacturers stated that the conversion costs from raw material to subject goods may be re-determined upwards as with passage of time, the cost of manufacturing of subject goods has increased, however, the importers insisted that over time new technologies have actually reduced this conversion cost. The manufacturers further contended that colored yarn of other



than "black dope dyed" yarn are not covered, the importers insisted that the difference of values due to different colors is nominal. Furthermore, the manufacturers insisted that the Cationic type of polyester filament yarn is of higher values and that the same is being cleared under the garb of normal polyester yarn and against lower than actual values.

5. **Method adopted to determine Customs values:** It is pertinent to mention here that the values of Polyester Filament Yarn had been determined by this Directorate General by taking into consideration the import clearance data of two important constituent raw materials of subject goods i.e. PTA and MEG, for past three months obtained from PRAL and value of PTA obtained from its local Manufacturers i.e. M/s. Lottee Pakistan (Pvt) Limited. Thereafter, the calculation is done by the Directorate General to arrive at unified average value of PTA. The average value of PTA and MEG so determined is run through the formula prescribed and circulated by the Board vide C.No.3(20)/TAR-I/90-Yarn, dated 07-04-2005 to arrive at the final determined price of Polyester Filament Yarn. Since this formula has been prescribed by the Board in consultation and consensus of all concern stakeholders, therefore the same is applied for Polyester Filament Yarn in terms of Sub-Section (9) of Section 25 of the Customs Act, 1969.

6. Accordingly, in order to determine the current value of the Polyester Filament Yarn and to find out as to whether the pieces of Polyester Yarn and prices of its constituents of Polyester Chain i.e. Purified Teraphthalic Acid (PTA) and Mono Ethylene Glycol (MEG) have increased as contended by Pakistan Yarn Merchants Association. (PYMA), Filament Manufacturers Association (FYMA), or otherwise, an extensive exercise has been done in the Directorate General to arrive at final determined value of the Polyester Filament Yarn. On the basis of the data / information collected and exercise conducted as per above detailed formula prescribed by the Board, the values of Polyester Filament Yarn have been determined afresh by this Directorate General.

7. **Customs values for Polyester Yarns:** Polyester Yarn of different specifications as specified below shall be assessed to duty and taxes on the assessable customs values specified therein.

**BASE VALUES FOR POLYESTER FILAMENT YARN**

BASIS OF VALUATION		MEG value per US\$ (PRAL data)		PTA value per US\$ (PRAL data + ICI PTA)		MEG + PTA	chips / fiber
		2	3	4	5		
Source	Unit	Per Ton	Per fomula (350 Kg)	Per Ton	Per fomula (870 Kg)	(Col.3 + Col.5)	(Col.6) + \$100/-
PRAL & MCC data + ICI PTA values (Nov, Dec)	PER TON	856.00	299.60	636.00	553.32	852.92	952.92
	PER KG	0.86	0.30	0.64	0.55	0.85	0.95



2016 & Jan 2017) units US\$	PER 100 GM	0.09	0.03	0.06	0.06	0.09	0.10
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	BASE VALUES OF DRAWN TEXTURED YARN										
	YARN 75 DTY SD	YARN 100 DTY SD	YARN 150 DTY SD	YARN 150 DTY BLACK DOPE DYED	YARN 300 DTY SD	YARN 75 DTY TWST	YARN DTY 150 OF 1000 TPM SD	YARN 150 OF 1500 TPM SD	YARN DTY (BSY) 130	YARN DTY (BSY) 135	
	8	9	10	11	12	13	14	15	16	17	
	(Col.7) +\$455/-	(Col.7) +\$375/ -	(Col.7) +\$300/ -	(Col.7) +\$420/-	(Col.7) +\$250/-	(Col.7) +\$ 1055/-	(Col.7) +\$800/-	(Col.7) +\$800/-	(Col.7) +\$560/-	(Col.7) +\$560/-	
VALUE OF YARN	PER TON	1407.92	1327.9 2	1252.9 2	1372.92	1202.92	2007.92	1752.92	1752.92	1512.92	1512.92
	PER KG	1.41	1.33	1.25	1.37	1.20	2.01	1.75	1.75	1.51	1.51
	PER 100 GRA MS	0.14	0.13	0.13	0.14	0.12	0.20	0.18	0.18	0.15	0.15

**POLYESTER FILAMENT FLAT YARN (FDY)**

VALUE OF YARN	CATEGORY	YARN 45 SD FDY	YARN 50 FDY SD	YARN 50 FDY BRT	YARN 50 FPY BLACK DOPE DYED	YARN 75 FDY SD	YARN 75 FDY BRIGHT	YARN 75 FDY BLACK DOPE DYED
		18	19	20	21	22	23	24
		(Col.7) + \$400/-	(Col.7) +\$400/-	(Col.7) + \$400/-	(Col.7) +\$520/-	(Col.7) +\$355/-	(Col.7) +\$355/-	(Col.7) +\$475/-
	PER TON	1352.92	1352.92	1352.92	1472.92	1307.92	1307.92	1427.92
	PER KG	1.35	1.35	1.35	1.47	1.31	1.31	1.43
	PER 100 GMS	0.14	0.14	0.14	0.15	0.13	0.13	0.14



YARN 90 FDY BLACK DOPE DYED	YARN 100 FDY BRT	YARN 100 FDY BLACK	YARN 150 FDY BRT	YARN 200 FDY BRT	YARN 300 FDY BRT
25	26	27	28	29	30
(Col.7) + \$395/-	(Col.7) + \$275/-	(Col.7) + \$395/-	(Col.7) + \$200/-	(Col.7) + \$150/-	(Col.7) + \$150/-
1347.92	1227.92	1347.92	1152.92	1102.92	1102.92
1.35	1.23	1.35	1.15	1.10	1.10
0.13	0.12	0.13	0.12	0.11	0.11

**NOTE:** a) the above determined values do not cover PFY Non-intermingle (various deniers) and Cationic Filament yarn of all types. In case a consignment is found to be Cationic yarn or PFY Non-intermingle yarn, the same may be cleared under section 25 of the Customs Act, 1969.

b) In case Polyester yarn (FDY/ DTY) of other than "Black Dope Dyed" color is found, the same may be cleared under section 25 of the Customs Act, 1969.

8. 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.

9. **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.

10. **Revision of the value determined vide this Valuation Ruling:** A revision 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 of this ruling, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.

11. 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. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. 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 therein.

12. *This ruling supersedes Valuation Ruling No.928/2016, Dated 19-09-2016.*

(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), 1<sup>st</sup> 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 of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No.928/2016, dated 19-09-2016 from the system on the date of issue of this ruling.
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, Appraisal, 1<sup>st</sup> Floor, Custom House, Karachi.
21. Guard File.