



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 SORBITOL POWDER
PHARMACEUTICAL & INDUSTRIAL GRADE AND SORBITOL SOLUTION
70% NON CRYSTALLINE GRADE UNDER SECTION 25-A OF THE
CUSTOMS ACT, 1969.**

(VALUATION RULING NO. 1057/2017)

No. DG/VDB/REF/110/2016-II

590

Dated: 28-02-2017

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Sorbitol Powder Pharmaceutical & Industrial Grade, Sorbitol Solution 70% Non Crystalline Grade are determined as follows:

2. **Background of the valuation issue:** The custom values of the Sorbitol Powder Pharmaceutical & Industrial Grade, Sorbitol Solution 70% Non Crystalline Grade were earlier determined vide VDB No. 130/2016 dated 20.12-2016. However several representations were received from commercial importers and Local manufacturers for determination of customs value of Sorbitol Powder Pharmaceutical & Industrial Grade, Sorbitol Solution 70% Non Crystalline Grade afresh considering the current international prices.

3. **Stakeholders' participation in determination of Customs values:** Meeting with all stakeholders including importers, local manufacturers and representatives from clearance Collectorates, was held on 22.02.2017 to discuss the current international prices of the subject item. The Local manufacturers M/s Habib –ADM Ltd stated that Sorbitol Solution 70% Non Crystalline Grade is being dumped into Pakistan to inflict serious injury to the local Industry. Therefore National Tariff Commission has imposed anti dumping duty on imports from several countries i.e. India, Indonesia and France. They further stated that export prices of subject item to other countries from afore mentioned countries is much higher than the prices on which the same item being imported into Pakistan. They requested to uphold the prices determined vide VDB No. 130/2016 dated 20.12-2016 being correct and genuine. On the other hand the commercial importers stated that they are importing the goods on prices being offered for Pakistan in the international markets and there is no question of under valuation. The view point of all participants was heard in detail and considered to arrive at Customs values of Sorbitol Powder Pharmaceutical & Industrial Grade, Sorbitol Solution 70% Non Crystalline Grade.

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 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 the Sorbitol Powder Pharmaceutical & Industrial Grade, Sorbitol Solution 70% Non Crystalline Grade.

5. Customs values for Sorbitol Powder Pharmaceutical & Industrial Grade, Sorbitol Solution 70% Non Crystalline Grade; Sorbitol Powder Pharmaceutical & Industrial Grade, Sorbitol Solution 70% Non Crystalline Grade *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values :-

S. No	Description of goods	PCT	Proposed PCT for WEOC	Origin	Customs Values (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Sorbitol Powder (Pharmaceutical Grade)	2905.4400	2905.4400.1000	China/ Indonesia	1.61
			2905.4400.1100	Europe	2.64
2	Sorbitol Powder (Industrial Grade)	2905.4400	2905.4400.1000	China/Indonesia	1.125
3	Sorbitol Solution 70% (Non Crystalline Grade)	3824.6000	3824.6000.1000	India	0.60
			3824.6000.1100	China/ Indonesia	0.65
			3824.6000.1200	Europe	0.77



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. *The data Base value No. DG/VDB/REF/130/2016-II/10145 dated 20.12.2016 stands with drawn.*


(Dr. Wasif Ali Memoo)
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/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.