



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 / (Exports / Port Qasim) / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

DETERMINATION OF CUSTOMS VALUE OF TEXTILE LINING MATERIAL FABRIC AND TEXTILE INVISIBLE COATED LINING MATERIAL FABRIC UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO. 1123 / 2017)

File No. Misc/02/2006(Part-II)-IV

1004

Dated: 12-04-2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Textile Lining Material Fabric and Textile Invisible Coated Lining Material Fabric are determined as follows:

2. **Background of the valuation issue:** The previous Customs values of Textile Lining Material were determined and notified vide Valuation Ruling No.630 / 2013 dated 27-12-2013 which was more than three years old therefore, an exercise was undertaken by this Directorate General to revise the same according to trends prevailing in the current international market.
3. **Stakeholders' participation in determination of Customs values:** - Meetings was scheduled on 10-01-2017, 16-02-2017 and 11-04-2017. All the participants were requested to submit the following documents so that correct customs values could be determined: -
 - 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 requisite documents were not submitted by any stakeholders, however importers, and representative of trade organization attended the meeting and putforth their point of view that internationally the prices of subject item varies due to different grammages, kind and different thicknesses as per sample forwarded by them. Moreover, the untwisted yarn which is the raw material of the subject item has declined significantly. The main stress of the importers was that Textile Invisible Coated Fabric which is similar item is being assessed and released at lower rate ranging from \$ U.S 2.30 to 2.65 which has created un-stability in the local market.



5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available. Identical / similar goods value Methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on. Thereafter, market enquiry as envisaged under Section 25(7) of the Customs Act, 1969, was conducted. The prices of different types of Textile Lining Material in the market varied significantly and were heavily dependent on quality of the Material and the location of the selling point or shop in the city. Online values were also checked. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of export were not available. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Textile Lining Material Fabric and Textile Invisible Coated Lining Material Fabric have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Textile Lining Material Fabric and Invisible Coated Lining Material Fabric:** Customs values for Textile Lining Material Fabric and Textile Invisible Coated Lining Material Fabric from various origins hereinafter specified shall be assessed to duty / taxes at the following customs values:

S. No.	Description of Goods	H.S. Code	Proposed PCT for WeBOC	Origin	Customs Values (U.S.D Per KG)
	(1)	(2)	(3)	(4)	(5)
1	Textile Lining Material Fabric	5407.4200 5407.5200 5407.6100	5407.4200.1000	China	\$ 3.10/KG
			5407.5200.1000		
			5407.6100.1000		
		5407.4200.1100 5407.5200.1100 5407.6100.1100	Other Origin	\$ 3.15/KG	
2	Textile Invisible Coated Lining Material Fabric	5407.4200 5407.5200 5407.6100	5407.4200.1000	China	\$ 3.10/KG
			5407.5200.1000		
			5407.6100.1000		
		5407.4200.1100 5407.5200.1100 5407.6100.1100	Other Origin	\$ 3.15/KG	

7. 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.

8. **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 (4) of Section 25-A of the Customs Act, 1969. In case imported items are not specifically fall under any of above mentioned grades, the same may be assessed under Section 25 of Customs Act 1969; otherwise if appropriate the same may be referred to Directorate of Customs Valuation for necessary action at their end.

9. **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, 7th Floor, Custom House, Karachi.

10 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.

11. *This ruling supersedes Valuation Ruling No.630/2013, dated 27-12-2013.*


(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/ 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.630/2013, dated 27-12-2013.
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.