



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) / Multan / Islamabad / Sambrial (Sialkot) / Faisalabad / Hyderabad / Quetta/ Peshawar/ Gawadar/ Gilgit-Baltistan

Determination of Customs Values of Pharmaceutical raw material Tylosin Tartrate Powder and Colistin Sulphate under Section 25-A of the Customs Act, 1969

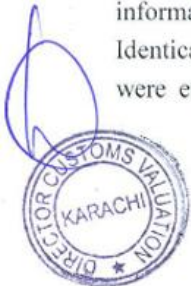
(VALUATION RULING NO. 1143/2017)

No. Misc/ 17/2017-II

Dated: 02-05-2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Pharmaceutical raw material Tylosin Tartrate Powder and Colistin Sulphate are determined as follows : -

- Background of the valuation issue:** The customs values of Pharmaceutical raw material Tylosin Tartrate Powder and Colistin Sulphate is selected to determine the Customs values under Section 25-A of Custom Act 1969 due to wide variation of declared and assessed values. Therefore to give level playing field to all importers of above goods Customs value of Pharmaceutical raw material Tylosin Tartrate Powder and Colistin Sulphate are selected for determination for uniform application across the board.
- Stakeholders' participation in determination of Customs values:** Meetings with all the stakeholders including importers and representatives from clearance Collectorates, were held on 10-04- 2017 and 19-04-2017, to discuss the current international prices of the subject item. The MCC Appraisement(West) Karachi provided the clearance data, the showing upward trend of the values of subject goods. The view point of all participants was heard in detail and considered to arrive at Customs values of Pharmaceutical raw material Tylosin Tartrate Powder and Colistin Sulphate.
- 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 clue 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 *ibid*. 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 Linder section 25(9) of the Customs Act, 1969 was applied to arrive assessable customs values of the Pharmaceutical raw material Tylosin Tartrate Powder and Colistin Sulphate.

5. **Customs values for Pharmaceutical raw material Tylosin Tartrate Powder and Colistin Sulphate:** *Pharmaceutical raw materiel Tylosin Tartrate Powder and Colistin Sulphate, hereinafter* shall be assessed to duty/taxes at the following Customs Values : -

S.No.	Description of Goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	Tylosin Tartrate Powder (Pharmaceutical grade)	2941.9090	2941.9090.1000	China	28.00
02.	Colistin Sulphate (Pharmaceutical grade)	2941.9090	2941.9090.1000	China	14.00

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.

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:** 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.

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. 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.


(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 of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database 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, 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.