



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.

Valuation Ruling No 1057/2017 dated 28.02.2017,
for Sorbitol Solution 70% Non Crvstalline Grade:

(VALUATION RULING NO. 1186/2017)

No. DG/VDB/REF/110/2016-II /1437

Dated: 19th June-2017

Pursuant to Order-In-Revision No 348/2017 dated 31st may 2017, meetings for re-determination of Customs Values of Sorbitol Solution 70% Non Crystalline Grade notified vide valuation ruling No 1057/2017 dated 28.02.2017, was held on 07.6.2017 and 13.6.2017. The stake holders, including importers, local manufacturers, Pakistan Chemical and Dyes Merchant Association (PCDMA) and representatives from clearance Collectorates, participated and presented their view point. M/s Habib –ADM Ltd, local manufacturers 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 manufacturing countries, are much higher than the prices on which the same item being imported into Pakistan. They contended that price offered for Pakistan is limited to geographical area of Pakistan and not the price offered for international markets. They supported their submissions with ICIS Scan prices for March 2017. They requested to link the customs value with ICIS Scan prices. On the other hand the commercial importers stated that they are importing the subject item on prices being offered for Pakistan by the exporters of India, Indonesia and France. As the local manufacturer and importers had conflicting view point about the prices of subject item therefore they were asked to develop a consensus on the price issue but they failed to do so. The view point of all participants was heard in detail and considered to arrive at Customs values of Sorbitol Solution 70% Non Crystalline Grade on the basis of local market prices and prices quoted in ICIS Scan with adjustment of freight element country wise.



2. **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 published in international Journals of repute i.e. ICIS Scan 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 Solution 70% Non Crystalline Grade.

3. **Customs values for Sorbitol Solution 70% Non Crystalline 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 WEBOC	Origin	Customs Values (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
3	Sorbitol Solution 70% (Non Crystalline Grade)	3824.6000	3824.6000.1000	India	0.570
			3824.6000.1100	Indonesia/China	0.615
			3824.6000.1200	Europe	0.707

4. 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.

5. **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.

6. 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.

7. 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.

8. The Serial Nos. 03 of the Valuation Ruling No.1057/2017 dated 28.02.2017 is modified to the above extent only.


(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 & We BOC data base system for VR No 1057/2017 dated 28.02.2017.
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