



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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The Collectors of Customs, Model Customs Collectorate, 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 PE TARPAULIN**  
**(Finished & Un-Finished) UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1195/2017)

No. Misc/14/2012-IV

Dated: - 26 -07-2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of PE Tarpaulin, are determined as follows:

**2. Background of the valuation issue:** M/S Kolachee International (Local Manufacturer) vide letter dated 14-04-2017 lodged a complaint regarding under invoicing in PE Tarpauline (Finished and un-finished). The local manufacture M/S Kolachee International claimed that the import values of PE Tarpaulin are on lower side. Consequent upon representation by commercial importers, regarding revision of Valuation Ruling No.847/2016 dated 06-05-2016 for PE Tarpaulin, an exercise was undertaken by this Directorate to revise the same according to trends prevailing in the international and local markets in terms of Section 25-A of the Customs Act, 1969.

**3. Stakeholders' participation in determination of Customs values:** Meetings were held on 22-05-2017, 14-06-2017 and 12-07-2017, with all the stakeholders including importer of subject goods and representatives of clearance Collectorate. During the course of subject meetings, M/S Kolachee International (Manufacturer) contested that the Customs Value of P.E Tarpaulin vide VR. No. 847/2016 dated 06/05/2016, should be enhanced as local production is of higher value and also local manufacturing is being affected due to large volume of import of PE Tarpaulin. The local manufacturer also furnished complete production model along with prevailing raw materials prices. This helped deducting the material wise and production costing required for the manufacturing of PE Tarpaulin (Finished & Un-Finished). On the other hand, Importer of subject goods i-e., M/S Paramount (Pvt) Ltd., submitted that PE Tarpaulin is already being imported on fair values, therefore, any further enhancement of valuation would discourage the import of subject item. In view of above situation, this Directorate General examined the import clearance data, scan prices of raw material (HDPE & LDPE etc), online prices prevailing in the international market and also conducted market inquiry for determination of customs value of PE Tarpaulin (Finished & Un-Finished).

**4. Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly followed and applied sequentially to address the valuation issue at hand. Transaction value method provided in Sub-Section (1) of Section 25 was found inapplicable because it is generally known to all that majority of invoices produced at



import stage are manipulated/fabricated and hence the requisite information required under the law was not available to arrive at the correct transaction value. Identical / similar goods value method provided in Sub-Sections (5) & (6) of Section 25 i bid 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 good. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive assessable customs values of PE Tarpaulin (Finished & Un-Finished).

**5. Customs values for PE Tarpaulin:** PE Tarpaulin (Finished & Un-Finished) *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) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	PE Tarpaulin Finished (Different cut in sizes with all standard accessories, i.e. Eyelets, Rope, sealing all corners mode of packing in bundles)	6306.1210	6306.1210.1000	Korea	2.80
				China	2.55
				Vietnam	2.68
				Other origin	2.95
02.	PE Tarpaulin Un-Finished (without standard accessories, mode of packing sheet in rolls / bundles)	6306.1210	6306.1210.1100	Korea	2.25
				China	2.05
				Vietnam	2.15
				Other origin	2.45

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. Furthermore, if subject goods are imported but do not specifically fall under the above provided description then the Collectorate may assess the same under section 25 of the Customs Act, 1969 or may invoke section 81 of 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 (4) 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, 7<sup>th</sup> 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

**9. This Ruling supersedes Valuation Ruling No.847/2016 dated 06-05-2016.**

  
(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 (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), 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