

The Collectors of Customs, Model Customs Collectorates of Appraisement East/West / Port Qasim/Preventive (Karachi)/Appraisement (Lahore)/ Preventive (Lahore)/Sambrial (Sialkot)/ Faisalabad/Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar and Gilgit-Baltistan.

Determination of Customs Values of Chemicals, Methylene Chloride, Propylene Glycol, Sodium Bi Carbonate, Mono Sodium Glutamate, Calcium Acetate, Calcium Propionate and Terpineol Under Section 25-A of the Customs Act, 1969.

No.Misc./14/2007-II

Dated: November 10, 2017

(VALUATION RULING NO. / 2017)


In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Chemicals namely Methylene Chloride, Propylene Glycol, Sodium Bi Carbonate, Mono Sodium Glutamate, Calcium Acetate, Calcium propionate and Terpineol are determined as follows:

2. **Background of the valuation issue:** Earlier the customs values of the subject chemicals were determined vide Valuation Ruling No 1044/2017 dated 14.02.2017. A V.D.B. No. 185 dated 08.02.2017 was also issued. There were several representations from commercial importers as well as from Pakistan Chemicals and Dyes Merchants Association (PCDMA) wherein they claimed that value of the subject chemicals needs to be realigned with international values. They requested to determine the applicable customs values afresh in accordance with the trend of values in the international markets. Keeping in view the prevailing prices of the subject goods, this Directorate General initiated an exercise for determination of the Customs Values of the subject Chemicals in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders participation in determination of Customs values:** Meetings with stakeholders including importers, representatives from Pakistan Chemicals and Dyes Merchants Association (PCDMA) and representatives from field formations were held on 12.10.2017 and 26.10.2017, to discuss the current international prices of the subject chemicals. The stakeholders requested that the said valuation ruling may be reviewed in the light of prevailing international market prices. The view point of all participants was heard in detail and considered to arrive at Customs values of the subject chemicals. The PCDMA contended that their proposition of values for different types of chemicals accurately reflects international values and they take full responsibility for any variations. As and when there are significant variations, they would themselves approach customs authorities for re-determination of customs values. Market surveys as enumerated below, gave results very akin to the propositions of the PCDMA.

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 arrive at customs values of subject goods. The transaction value method provided in Sub-Section (1) of Section 25, was found inapplicable because there was wide differences in the declarations. Identical / similar goods value method provided in Sub-Sections (5) & (6) of Section 25 ibid 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 due to the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc., and also it was observed that some importers provided misleading description while declaring goods, as other grades and percentage of purity 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 market inquiries using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969 and determined customs values of Methylene Chloride, Propylene Glycol, Sodium Bi Carbonate, Mono Sodium Glutamate, Calcium Acetate, Calcium Propionate and Terpeneol.

5. **Customs values for Methylene Chloride, Propylene Glycol, Sodium Bi Carbonate, Mono Sodium Glutamate, Calcium Acetate, Calcium propionate and Terpeneol:** The Chemicals hereinafter specified shall be assessed to duty / taxes at the following Customs Values :



(1)	(2)	(3)	(4)	(5)	(6)
1	Methylene Chloride	Europe	2903.1200	2903.1200.1000	0.70
		All other origins	2903.1200	2903.1200.1200	0.64
2	Propylene Glycol (Pharma Grade)	Korea	2905.3200	2905.3200.1000	1.55
		Germany/ France	2905.3200	2905.3200.1100	1.60
		U. S. A	2905.3200	2905.3200.1200	1.60
		Singapore	2905.3200	2905.3200.1300	1.55
		China	2905.3200	2905.3200.1400	1.45
		South Africa	2905.3200	2905.3200.1500	1.50
		Thai land	2905.3200	2905.3200.1600	1.55
		All other origins	2905.3200	2905.3200.1700	1.60

3	Propylene Glycol (Industrial Grade)	Korea	2905.3200	2905.3200.1800	1.50
		Germany/ France	2905.3200	2905.3200.1900	1.55
		U. S. A	2905.3200	2905.3200.2000	1.55
		Singapore	2905.3200	2905.3200.2100	1.50
		China	2905.3200	2905.3200.2200	1.40
		South Africa	2905.3200	2905.3200.2300	1.45
		Thailand	2905.3200	2905.3200.2400	1.50
		All other origins	2905.3200	2905.3200.2500	1.55
4	Sodium Bi Carbonate (Food Grade)	China	2836.3000	2836.3000.1000	0.25
		Turkey	2836.3000	2836.3000.1100	0.28
		All other origins	2836.3000	2836.3000.1200	0.31
5	Sodium Bi Carbonate (Pharma Grade)	China	2836.3000	2836.3000.1300	0.37
		Korea	2836.3000	2836.3000.1400	0.40
		U.K /E.U	2836.3000	2836.3000.1500	0.55
6	Mono Sodium Glutamate (Ajinomoto Brand) Retail packing	All origins	2922.4210	2922.4210.1000	1.70
7	Mono Sodium Glutamate (Ajinomoto Brand) Bulk packing	All origins	2922.4210	2922.4210.1100	1.50
8	Mono Sodium Glutamate (other Brands) Retail packing	All origins	2922.4210	2922.4210.1200	1.20
9	Mono Sodium Glutamate (other Brands) Bulk packing	All origins	2922.4210	2922.4210.1300	1.00
10	Calcium Acetate Powder Food Grade	Germany	2915.2910	2915.2910.1000	1.40
11	Calcium Propionate Food Grade	Germany	2915.5000	2915.5000.1000	1.40
12	Terpineol (Pharma grade)	All Origin	2906.1910	2906.1910.1000	4.00
13	Terpineol (All Other Grades)	All Origin	2906.1910	2906.1910.1100	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 and the same may be communicated to this Directorate General forthwith. 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:** 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. The Customs 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 requisite formalities relating to importability or other certifications 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 of the Customs Act, 1969 or any other law in vogue therein.

10. ***This Ruling supersedes Valuation Ruling No.1044/2017 dated 14.02.2017 and VDB No 185 dated 08.02.2017.***


(Muhammad Iqbal Muneeb)
Director
10/11/17

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.