

GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

No.Misc/04/2011-I

Dated 13.06.2011

RULING U/S 25-A NO. 336

Note:

- i) The customs value determined under this Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.
- ii) Review application against this valuation ruling may be filed before the Director-General of Valuation under Section 25D of the Customs Act, 1969, within thirty (30) days from the date of determination of customs value under this ruling.

The Collectors of Customs, Model Customs Collectorates (Appraisalment/ PaCCS/ Port Qasim/ Preventive), Karachi/ Lahore/ Sambrial (Sialkot) / Faisalabad/ Multan/ Islamabad/ Hyderabad/ Quetta/ Peshawar.

SUBJECT: DETERMINATION OF CUSTOMS VALUE OF RESIDUE OF FATTY SUBSTANCES (ROFS) OF H.S.CODE 1522.0010 and 1522.0090, UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

Analysis of import data indicated that the Residue of Fatty Substances (ROFS) imported from different sources is being cleared at different values, at different customs stations. Therefore, exercise to determine the customs values of said product, in terms of section 25-A of the Customs Act, 1969, was initiated.

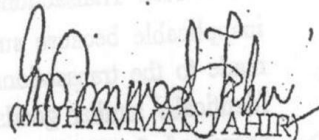
2. Accordingly, meetings were held on 07.02.2011, 08.03.2011, 19.03.2011 and 26.05.2011, wherein, representatives of Pak Soap Manufacturers Association and Pakistan Chemical & Dyes Merchants Association (PCDMA) appeared. They informed that residue of fatty substance is not a prime product rather it is a residue (waste), which is used as a raw material for manufacturing of low grade laundry soaps. They further stated that it is normally sold at throw away price, at times free of cost, just to get clear the factory premises. Further, major portion of its value is the cost of handling and transportation to Pakistan. They also confirmed that the assessment of (ROFS) is being made at different values at different customs stations, and requested that it may be rationalized for uniform application. In order to arrive at fair custom value, the data of identical and similar goods, as envisaged under the



provisions of section 25 (5) & (6) of the Customs Act, 1969, was scrutinized but due to variation in import prices, ranging from US\$0.20/kg to US\$0.24/kg, these methods could not be relied upon. Further, the local market enquiry under section 25(7) ibid, could also not be conducted due to the reason that the said goods are not available in local market for sale, as it is imported for industrial consumption. Furthermore, since the costing of ROFS in the countries of export can not be ascertained therefore, the application of valuation method under section 25(8) was ruled out. Having considered all the above mentioned factors, following customs values have been determined under section 25(9) of the Customs Act, 1969;

| S. NO. | DESCRIPTION OF GOODS                 | H.S. CODE              | ORIGIN      | DETERMINE VALUE |
|--------|--------------------------------------|------------------------|-------------|-----------------|
| 1      | 2                                    | 3                      | 4           | 5               |
| 1      | Residue of Fatty substance<br>(ROFS) | 1522.0010<br>1522.0090 | All origins | US\$ 0.23/Kg    |

3. Accordingly, these values are hereby determined under Section 25A of the Customs Act, 1969. All the Customs Clearance Collectorates are advised to finalize assessment of above goods on the values mentioned above. These values shall remain valid until revised. However, if the invoice value is higher, then such higher value shall be adopted for assessment purpose, in terms of section 25 of the Customs Act, 1969.

  
(MUHAMMAD TAHIR)  
DIRECTOR

Copy for information to:-

1. S.A. to Chairman, Federal Board of Revenue, Islamabad.
2. Member (Customs), Federal Board of Revenue, Islamabad.
3. Chief Collectors of Customs (North/South), Lahore/Karachi.
4. The Director General of Intelligence Investigation, Islamabad.
5. The Director General of Customs Valuation, Karachi.
6. The Director General of Post Clearance Audit, Islamabad.
7. The Directors of Intelligence Investigation, Karachi/ Lahore/ Islamabad.
8. The Deputy Director (Hqrs.), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & PaCCS database on the date of issue of this ruling.
9. The Chairman Federation of Pakistan, Chambers of Commerce & Industry Karachi.
10. The Chairman Karachi Chamber of Commerce & Industry Karachi.
11. Karachi Customs Agents Group (KCAG), Bohri Road, Karachi
12. Guard File.