



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE, KARACHI

RULING U/S 25A.NO. 365

No.Misc/19/2009-I

Dated 6-08-2011

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Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.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) Revision petition./ 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 issuance of this ruling.

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

**SUBJECT: DETERMINATION OF CUSTOMS VALUE OF BITUMEN ALL GRADES (H.S.CODE # 2713.2000), UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**



Valuation Ruling No.320, was issued on 21-05-2011, on receipt of a reference from MCC, Dryport, Islamabad, for the determination of customs value of subject goods. However, impugned ruling was set aside and the case has been remanded back to the Director Customs Valuation, Karachi for determining the customs values afresh after affording the applicants fair opportunity of hearing vide Order-In-Review No.63 to 74/2011, dated 07.07.2011, under Section 25-D of the Customs Act, 1969, passed by the Director General of Customs Valuation in respect of review application filed by Baluchistan Chamber of Commerce & Industry and importers.

2. Meeting was held on 13-07-2011, which was attended by the stakeholders especially the importers of Bitumen from Iran via land route. It was informed by the importers that the value of Bitumen imported via land route from Iran is far less than that of imported from other countries through Sea route. Further, they informed that as no customs duty and only sales tax is applicable at the import stage and the same is adjustable later on, therefore, there was no need to clear the goods on under invoiced value, hence, their declared value needs to be accepted. Furthermore, the importers of Bitumen from Iran origin stressed that while considering the values, import route (Land vis-à-vis Sea route) should be



considered as it has bearing on the values of imported goods, in terms of difference of freight. Apart from that they pointed out that the difference of mode of the packing (New vis.a.vis. old & used drums) and the transportation (i.e. Browsers or normal trucks) has also impact on the overall value. In order to determine fair customs value the input of the representative trade bodies such as Chambers of Commerce & Industry, Turbat and Quetta (Baluchistan) were also invited. They recommended the value ranging from US\$140-150/MT, which was observed to be very low and was not in conformity with the prevailing international prices, even the prices of Bitumen from Iran and Bahrain taken from internet which ranges from US\$ 360 - 395/MT (FOB). It is pertinent to mention here, that during the entire proceedings no one raised objection on the value already determined in the Valuation Ruling No. 320 dated 21.05.2011, for the Bitumen imported from the origins other than Iran, via land route.

3. The Valuation Ruling No. 320 was issued recently (within 90 days) u/s 25 (9) of the Customs Act, 1969, after a lengthy exercise, moreover, as the review was filed only against the value of Bitumen imported from Iran origin via land route, therefore, this exercise was confined to the import from Iran, via land route, to consider various factors which can affect the value through the said route. Whereas the value of Bitumen from the other origins/routes has been maintained on the grounds mentioned in earlier ruling which are reproduced as under;

"... import data of Customs was scrutinized which showed that Bitumen-Grade 60/70, was imported and cleared at values ranging from US\$ 110/MT to US\$ 520/MT. Due to such wide variation in import values transaction values could not be relied upon in terms of section 25(1), 25(5) and (6) of the Customs Act, 1969. Subsequently local market enquiry was carried out under section 25(7) of the Customs Act, 1969, which revealed that value of all grades of Bitumen, packed in old iron and steel drums, are valued at more or less the same level and therefore, values of all grades may be evaluated at par. Information provided by M/s Attock Petroleum Limited, Karachi, vide letter dated 27.01.2011, has indicated prices in the range of \$ 430/ MT to US\$ 615/MT (averaging @ US\$ 520/MT). This price was found to be in close conformity with the evidence of Bitumen Grade 60/70 @ US\$ 0.52/kg (GD CRN No. 1348128 dated 16.03.2010 & No. 1345246 dated 13.03.2010), as reflected in import data in terms of section 25(5) & (6) of the Customs Act, 1969, as well as the price indication retrieved from internet sources revealing the price of \$ 515/MT. The price reflected in international publication on bitumen namely "Argun Asphalt Report" shows the price of bitumen in the range of US\$ 415/MT, which is found to be in accordance with the aforesaid average price (i.e. US\$ 520/MT) after considering the element of freight and other handling expenses. Relying upon these findings, following values have thus been determined on full back Method as envisaged under section 25(9) of the Customs Act, 1969."





4. After considering all the aforementioned factors, the following customs values have been determined under sub-section (5), (6), (7), (8) and (9) of section 25 of the Customs Act, 1969 :-

Description of Goods	H.S.Code	Origin	Assessable Customs Value (C&F)
(1)	(2)	(3)	(4)
Petroleum Bitumen All Grades	2713.2000	a) Iran (via Land route)	
		i) In new drums	US\$ 380/MT
		ii) In old & used drums	US\$ 350/MT
		iii) Bowser	US\$ 300/MT
		b) Iran (via Sea route)	US\$ 425/MT
		c) All other Origins	US\$ 520/MT

5. The above values are hereby determined under Section 25-A of the Customs Act, 1969. All the Customs Collectorate are advised to finalize the assessment on the values mentioned above. For Customs purpose, these values are inclusive of cost of container which are treated as being one with goods and cost of packing. These values shall remain valid until revised. However, if the invoice value is higher than the value in this ruling, then such higher value shall be adopted for assessment purpose, in terms of section 25 ibid.

  
(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-FBR, Islamabad.
5. The Director General of Customs Valuation, Karachi.
6. The Director General of Post Clearance Audit, Karachi.
7. The Directors of Intelligence Investigation-FBR, 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. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
10. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
11. Karachi Customs Agents Group (KCAG), Bohri Road, Karachi
12. Guard File.