



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

RULING U/S 25A NO. 434

No. Misc/25/2007-IV/5278

Dated 20-02-2012

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Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.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, MCC (Appraisement/PaCCS/Port Muhammad Bin Qasim (Preventive), Karachi/Lahore/Multan/Sambrial/Faisalabad/Islamabad/Peshawar/Hyderabad/Quetta.

**SUBJECT: DETERMINATION OF CUSTOMS VALUE OF SYNTHETIC CARPETS U/S 25A OF THE CUSTOM ACT, 1969**

In the wake of Honourable Federal Tax Ombudsman order's dated 01.02.2012, an exercise to revise the value of imported carpet was under taken in terms of section 25A of the Customs Act, 1969.

2. Accordingly, meetings with all stakeholders i.e. importers and manufacturers were held on 24.01.2012, and 15.02.2012 wherein Chairman Valuation Committee of FPCC&I also participated. During the meetings difference of opinion was witnessed between importers and local manufacturers. The importers insisted on acceptance of declared values, whereas, the local manufacturers complained about massive under invoicing by importers. Importers desired for the application of the values, which were calculated on the basis of previous market survey conducted on 23.07.2011, whereas the manufacturers stated that the prices are enhanced by the importers since 23.07.2011 and for a proof thereof submitted the local wholesales price lists of different importers with the request to calculate the prices on these published prices list, which were issued by the importers themselves.

3. In order to arrive at the customs values of the machine made carpets, import data of identical and similar goods was examined in terms of section 25(5)&(6) of the Customs Act, 1969. Since the clearances were being made on the basis of values, as determined vide earlier valuation rulings, the import data was not found to be of much help. Therefore, values as per data could not be relied upon. Under the deductive value method as envisaged under section 25(7) of the Customs Act, 1969, the local market survey was also conducted in the light of price lists issued by the different importers for their brands. During the survey the authenticity of the wholesale price lists was confirmed from different shopkeepers and further five 5% discount over the whole sale prices (as per price list) were allowed while calculating the prices, as per work back method. Consequently having considered all the factors, following customs values have been determined under deductive method as provided under section 25(7) of the Customs Act, 1969:-

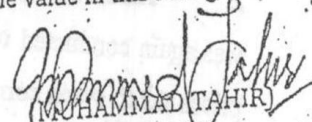


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S.No.	Description	H.S. Code	Origin	Value determined (C&F)
(1)	(2)	(3)	(4)	(5)
01.	Nylon Tufted Carpet (Action / Felt Back)	5703.2040 5703.2090	China, Saudi Arabia, Turkey, UAE & Iran	i) US\$ 2.52/SQM for carpets having weight of 1000 gms per square meter ii) If not covered under (i) above, value shall be assessed according to the following formula  $\frac{\text{TOTAL NET WEIGHT}}{\text{TOTAL SQUARE METER}} \times 2.52 = \text{A.V. PER SQM}$
02.	Polyester Tufted Carpet (Action Back)	5703.3040 5703.3090		
03.	Polypropylene Carpet Needle Punch/pet (polyester) Carpet (Felt)	5704.9000		
04.	Polypropylene Woven Carpet	5702.4290		
05.	Polypropylene Tufted Carpet (Action/ Back)	5703.2040 5703.3090	China, Saudi Arabia, Turkey, UAE & Iran	i) US\$ 2.19/SQM for carpet having weight of 1000 gms per square meter ii) If not covered under (i) above, value shall be assessed according to the following formula  $\frac{\text{TOTAL NET WEIGHT}}{\text{TOTAL SQUARE METER}} \times 2.19 = \text{A.V. PER SQM}$

- 25% enhancement on above values for USA, Europe & Japan origins.
- 5% enhancement on above values for centre piece Carpets of all origins.
- Certificate of origin from Manufacturer is required if imported from UAE.
- Nearest origin may be considered for assessment purpose if value of any country is not covered under this ruling.
- If description mentioned in the H.S.Code does not match with the description mentioned in this Valuation Ruling, description of the goods shall be confirmed for implementation purpose.

4. The above values are hereby determined under Section 25-A of the Customs Act, 1969. All the Customs Collectorates are advised to finalize the assessment on the values mentioned above. However, if the invoice value is higher than the value in this ruling, then such higher value shall be adopted for assessment purpose.

  
 (MUHAMMAD TAHIR)  
 DIRECTOR

Copy for information to :-

- SA to Chairman, Federal Board of Revenue, Islamabad.
- Member (Customs), Federal Board of Revenue, Islamabad.
- Chief Collectors of Customs (North/South), Lahore/Karachi.
- The Director General of Intelligence Investigation-FBR, Islamabad.
- The Director General of Customs Valuation, Karachi.
- The Director General of Post Clearance Audit, Karachi.
- The Directors of Intelligence Investigation-FBR, Karachi/ Lahore/ Islamabad.
- The Director (WeBOC) Project, 11<sup>th</sup> Floor, Custom House, Karachi.
- 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.
- Chairman (Valuation Committee), FPCC&I, Federation House, Karachi.
- Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
- Karachi Customs Agents Group (KCAG), Bohri Road, Karachi.
- Guard File.