

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

No. Misc/03/2012-II

Dated: 6th April 2012

RULING U/S 25A NO. 454

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Valuation Ruling shall be applicable customs value for assessment of the relevant goods until and unless revised or rescinded by the competent authority.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

SUBJECT: DETERMINATION OF CUSTOMS VALUE OF UV/OP VARNISH (ISC 3208.9090, 3208.2010 & 3215.1990) UNDER SECTION 25A OF THE CUSTOMS ACT, 1969



On a reference against under invoicing in the importation of UV Varnish sent by the Directorate General of Intelligence & Investigation, vide letters dated 18-01-2012 & 08-03-2012, proceedings were initiated to determine the customs values under section 25A of the Customs Act, 1969. In addition thereof, the Valuation of OP Varnish determined vide Valuation Ruling No.283, dated 08-12-2010, was also taken up for fresh determination of value since the said ruling was considerably old and needed up-dation as per current international prices.

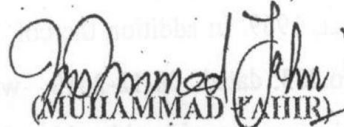
2. Accordingly, meetings were held on 27-02-2012, 15-03-2012 & 30-03-2012, which were attended by the representatives of importers and other stakeholders. The local manufacturers were of the view that the import values of UV Varnish ranging @\$1.00 to \$1.52/kg were very low in comparison to prevailing international prices of US\$3.72/kg, which was substantially high. The representative of importers were in agreement that the value of Varnish imported by them from Europe were of Superior grade/quality i.e 'Cationic' and 'Flexo' grades, which carried a higher market price due to exclusive usage in security/flexo printing. Whereas, the commercial import from China/Taiwan was of Duck Varnish & in-line Varnish grade having high viscosity, used in offset printing. The import data was also examined within the meaning of section 25(5)

& (6) of the Customs Act, 1969. Since these values reflected wide differences, therefore it could not be made the basis of value determination.

3. Accordingly, in order to determine fair customs value, market enquiry was conducted and the values were worked out as per deductive value method under section 25(7) of the Customs Act, 1969. Based upon these findings, particularly keeping in view the submission made by importers/stakeholders, following customs values have been determined under section 25(7) of the Customs Act, 1969, as under:

| S.No | IIS Code | Description of goods | Origin | Determined value |
|------|-------------------------------------|----------------------|------------------|------------------|
| 1 | 2 | 3 | 4 | 5 |
| 1 | 3208.2010 3208.9090 3215.1990 | UV/OP VARNISH | China, Taiwan | US\$2.15/kg |

4. Accordingly, these values are hereby determined under Section 25A of the Customs Act, 1969. All the Customs Clearance Collectorate are advised to finalize assessment of subject goods on the values mentioned above. 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.


(MULLAMMAD FAHIM)
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 Director (Development), WeBOC Project, 11th floor, Custom House, Karachi.
9. The Deputy Director (Hqrs.), Directorate General of Customs Valuation, Karachi, for uploading in OneCustoms & PaCCS database on the date of issue of this ruling.
10. Federation of Pakistan, Chambers of Commerce & Industry (FPCC&I), Karachi.
11. Karachi Chamber of Commerce & Industry (KCC&I), Karachi.
12. Karachi Customs Agents Group (KCAG), Bohri Road, Karachi
13. Guard File.