



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

DETERMINATION OF CUSTOMS VALUES OF ABRASIVE PRODUCTS
UNDER SECTION 25A OF CUSTOMS ACT, 1969

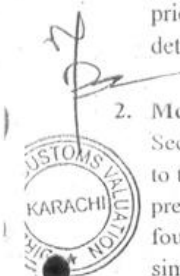
(VALUATION RULING NO.698/2014)

No. Misc/19/2010-V

Dated: November 06, 2014

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the customs values of Abrasive products are determined as follows:

- 1. Description of the valuation issue:** Customs values of Abrasive Products were determined vide Valuation Ruling No.547/2013 dated 19.04.2013 more than a year ago. It was brought to the notice of this Directorate that the prices of abrasive products have appreciated and that Valuation Ruling No.547/2013 for abrasive cloth of different origins may be revisited. Thus, a re-determination of Customs values of these goods was deemed necessary to reflect the current price trend of these goods in the international markets. This prompted an exercise to re-determine the Customs values of these under reference goods.
- 2. Methodology adopted to determine customs values:** Valuation methods as ordained under Section 25 of the Customs Act, 1969 were followed to ascertain which methods were applicable to the valuation issue in hand in terms of Section 25A (1) of the Act. Transactional value method prescribed in Sub-Section (1) of Section 25 of the Act provided some reference values but was found inapplicable because sufficient information under the law was not available. Identical / similar goods valuation methods as provided in Sub-Section (5) & (6) of Section 25 of the Customs Act, 1969, furnished unreliable values and were not found applicable. Computed Value Method as provided in Section 25 (8) could not be applied for valuation of the aforementioned goods as the cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25 (8) of the Act, in the country of export, could not be ascertained. Market survey under Deductive Value Method as prescribed Sub-Section (7) of Section 25 of the Customs Act, 1969 was conducted which provided reference values. Consequently, Fall Back Method as envisaged under Section 25(9) was the methodology adopted to determine Customs values of Abrasive Products in this case.
- 3. Stakeholders' participation in determination of Customs values:** Meetings were held on 21-05-2014, 11-06-2014 and 17-09-2014 in order to determine the Customs values. The said meetings were attended by relevant stakeholders.



4. **Customs values of Abrasive Products:** Abrasive Products *hereinafter specified*, shall be assessed to duty / taxes on the customs values mentioned in the table below:-

S. No	Description	PCT code	Proposed PCT for Weboc	Origin	Customs Value C&F (US\$/Kg)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Abrasive Fiber/Paper Disc	6805.1000 6805.3000	6805.1000.1010	China	US\$ 4.62/kg
			6805.3000.1010		
			6805.1000.1020	Korea	US\$ 4.80/kg
			6805.3000.1020		
6805.1000.1030	Europe	US\$ 5.70/kg			
6805.3000.1030					
2.	Abrasive Fiber/Paper Roll	6805.1000 6805.3000	6805.1000.1040	China	US\$ 3.10/kg
			6805.3000.1040		
			6805.1000.1050	Korea	US\$ 3.50/kg
			6805.3000.1050		
6805.1000.1060	Europe	US\$ 3.80/kg			
6805.3000.1060					
3.	Abrasive Cloth Sheet	6805.1000	6805.1000.1070	China	US\$ 1.70/kg
4.	Abrasive Cloth Roll	6805.1000	6805.1000.1080	China	US\$ 3.10/kg
			6805.1000.1090	Korea	US\$ 4.00/kg
			6805.1000.1100	Europe	US\$ 6.50/kg
5.	Abrasive Latex Paper Sheet/Roll	6805.2000	6805.2000.1010	China	US\$ 3.50/kg
6.	Abrasive Kraft Paper Sheet/Roll	6805.2000	6805.2000.1020	China	US\$ 1.50/kg
			6805.2000.1030	Korea	US\$ 1.70/kg



5. In cases where declared/ transaction values are higher than the Customs values determined in this Ruling, the assessing officer shall apply those values in terms of sub-section (1) of Section 25 of the Customs Act, 1969. 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.
6. **Validity of this Valuation Ruling:** The value 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-Section (1) or (3) of Section 25A of the Customs Act, 1969.
7. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25-D of the Customs Act, 1969, within 30 days from the date of issue, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

8. The Collectors of Customs may kindly ensure that the values given in the Ruling or 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.
9. This Ruling supersedes Valuation No.547/2013 dated 19-04-2013.


(Abdul Rashid Sheikh)
Director

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.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation, Islamabad.
8. Director General, Post Clearance Audit, Islamabad.
9. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
10. The Project Director, WeBOC, 11th Floor, Custom House, Karachi.
11. Director, Customs Valuation, Custom House, Lahore.
12. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in WeBOC database and deleting Valuation Ruling No. 547/2013 dated 19.04.2013
13. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
14. Chairman (Valuation Committee), KCC&I, Aiwan-e-Tijarat Road, Karachi.
15. Customs Revenue Audit, 8th Floor, Custom House, Karachi.
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisalment, 1st floor, Custom House, Karachi.
21. Guard File.