



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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

DETERMINATION OF CUSTOMS VALUES OF UN-FINISHED CARPET  
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 770 /2015)

No.Misc/25/2002-IV

Dated: January 23, 2015

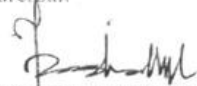
In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Un-Finished Carpet are determined as follows : -

1. **Background of the valuation issue :** Stakeholders and M/s.Pakistan Machine Made Carpet Manufacturers Association requested to determine the value of unfinished Carpets. An exercise to determine the Customs values of Un-finished carpets under Section 25-A of the Customs Act, 1969, was initiated in this Directorate General.
2. **Method adopted to determine Customs value :** The valuation methods provided in Section 25 of the Customs Act, 1969 were followed. Transaction value method as laid down in Sub-Section (1) of Section 25 *ibid* was found inapplicable due to non-availability of the required information as per law. Identical and similar goods valuation methods as provided under sub-sections (5) & (6) of Section 25 could not be followed because of considerable variation in declared values among various import values of subject goods. Consequently, Market enquiry as provided under Sub-Section (7) of Section 25 of the Customs Act, 1969, was also conducted. Since the manufacturers' costs of producing the goods in question in the country of exportation were not available, Computed Value Method as provided in Section 25(8) could not be applied for valuation of the aforesaid goods. Consequently, Fall Back Method under Section 25(9) of the Act *ibid* was applied to arrive at the Customs value of unfinished carpets.
3. **Stakeholders' participation in determination of value:** Meetings were held with the stakeholders on 12-09-2013, 12-06-2014 & 26-11-2014 including representatives of FPCC&1 & PCDMA, importers and local manufacturers. Information gathered from different sources and inputs from stakeholders was critically evaluated. Customs values were determined under Section 25(9) of the Customs Act, 1969.
4. **Customs values for Unfinished Carpet :** Unfinished carpets of China/ Saudi Arabia/ Turkey/ U.A.E. & Iran *hereinafter specified* shall be assessed to duty/ taxes on the following Customs values given against them in the Table below : -



S.No.	Description	H.S. Code	Proposed PCT for WeBOC	Origin	Value determined (C&F)
(1)	(2)	(3)	(4)	(4)	(5)
01.	Un-Finished Polypropylene Tufted Carpet	5703.3090	5703.3090.1000	China, Saudi Arabia, Turkey, UAE & Iran	i) US\$ 2.65/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 <b>TOTAL NET WEIGHT X 2.65= A.V. PER SQM</b> <b>TOTAL SQUARE METER</b>
02.	Un-Finished Polyester Tufted Carpet	5703.3090	5703.3090.2000	China, Saudi Arabia, Turkey, UAE & Iran	i) US\$ 3.25/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 <b>TOTAL NET WEIGHT X 3.25= A.V. PER SQM</b> <b>TOTAL SQUARE METER</b>
03.	Un-Finished Nylon Tufted Carpet	5703.2090	5703.2090.1000	China, Saudi Arabia, Turkey, UAE & Iran	i) US\$ 3.25/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 <b>TOTAL NET WEIGHT X 3.25= A.V. PER SQM</b> <b>TOTAL SQUARE METER</b>

5. In cases where declared values are higher than the Customs value determined in this Ruling, the assessing officers 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 Valuation Ruling:** The values 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 25 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 issuance of this ruling, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
8. The Collectors of Customs may ensure that the values given in the Ruling are applied by the concerned staff without fail. If there are any anomalies identified in the ruling, the same may be brought into the notice of this Directorate General for immediate redressal.

  
 ( 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 (Appraisement), 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-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1<sup>st</sup> Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
9. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General Internal Audit, (Customs), Islamabad.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad.