



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) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

Determination of Customs Values of Furnishing Fabrics
Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 765 / 2015)

No. Misc/11/2012-IV

Dated 09-10-2015

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

2. **Background of the valuation issue:** A valuation Ruling regarding furnishing fabric was issued vide Valuation Ruling No.417/2012, dated 26-01-2012. Clearance Collectorate contested that said ruling needs revision being on lower side. MCC, Appraisement (West), Karachi vide letter No.SI/MISC/05/2000-IV, dated 22-03-2012 pointed out that fabric values determined by the Directorate needs upward revision keeping in view the international prices of the subject goods. Moreover, Board also vide letter No.3 (7) S.Val/2015, dated 11-08-2015, directed to review the issue of valuation of Fabric in consultation with stakeholders.

3. **Stakeholders' participation in determination of Customs values:** A meeting was scheduled on 07-05-2015 where different stakeholder including importers, representatives of clearance Collectorates, and trade bodies including APTMA were invited to participate. No one attended the meeting. Another meeting was scheduled on 05-10-2015 and again the stakeholders, including importers, All Pakistan Textile Mills Association (APTMA), representatives of clearance Collectorates and trade bodies were requested to attend. However, none of the stakeholders and their representative including APTMA, appeared for the meeting scheduled on 05-10-2015. The meeting was, however, duly attended by the clearance Collectorates.

4. **Method adopted to determine Customs values:** After detailed discussion, valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at fair value of cotton fabric. Transaction value method provided in Section 25 (1) was found inapplicable because requisite information was not available and due to wide variety in the material(s) and

absence of authentic source(s). Identical / similar goods value Methods provided in Section 25(5) & (6) were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods but the same could not be exclusively relied on due to wide variety in the material(s) and absence of authentic source(s). Thereafter, market enquiry as envisaged under Section 25(7) of the Customs Act, 1969, was conducted. The prices of different types of furnishing fabric in the market varied significantly and were heavily dependent on quality of the fabric and the location of the selling point or shop in the city. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of export were not available. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Furnishing Fabrics have been determined under Section 25(9) of the Customs Act, 1969.

5. Customs values for Furnishing Fabrics : Furnishing Fabrics *as specified in Annex-A to this Ruling* shall be assessed to duty / taxes at the Customs Values specified therein :-

6. In cases where declared/ transaction values are higher than the Customs values 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.

7. **Validity of this 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-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

8. **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 of this ruling, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

9. The Collectors of Customs may kindly ensure that the values given in the Ruling for 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.

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10. *This ruling supersedes Valuation Ruling No.417/2012, dated 26-01-2012, S.No.6 of Valuation Ruling No.483/2012, dated 25-10-2012 and S.No.3 of Valuation Ruling No.662/2014, dated 31-03-2014.*


(Manzoor Hussain Memon)
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-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No.417/2012, dated 26-01-2012, S.No.6 of Valuation Ruling No.483/2012, dated 25-10-2012 & S.No.3 of Valuation Ruling No.662/2014, dated 31-03-2014.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
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.



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Annex-A to Valuation Ruling No.765 / 2015 dated 9-10-2015

C & F Customs Value US\$ per KG

S.No.	Description of Fabric	PCT Code	Proposed PCT for WeBOC	China, Bangladesh,	UAE, Indonesia, Malaysia, Thailand, Veitnam, Korea, Turkey	Europe, USA, Canada
1	Woven Furnishing Fabric for Sofa & Curtain and accessories made of textile	5514.2100	5514.2100.1000	USS 4.50 per Kg	4.75 per Kg	USS 5.50 per Kg
		5514.2200	5514.2200.1000			
		5514.2300	5514.2300.1000			
		5514.2900	5514.2900.1000			
		5514.3010	5514.3010.1000			
		5514.3090	5514.3090.1000			
		5514.4100	5514.4100.1000			
		5514.4200	5514.4200.1000			
		5514.4300	5514.4300.1000			
		5514.4900	5514.4900.1000			
		5515.1190	5515.1190.1000			
		5515.1290	5515.1290.1000			
		5515.1900	5515.1900.1000			
		5515.2190	5515.2190.1000			
		5515.2990	5515.2990.1000			
		5515.9190	5515.9190.1000			
		5515.9990	5515.9990.1000			
		5516.2200	5516.2200.1000			
		5516.2300	5516.2300.1000			
		5516.2400	5516.2400.1000			
		5516.4100	5516.4100.1000			
5516.4200	5516.4200.1000					
5516.4300	5516.4300.1000					
5516.4400	5516.4400.1000					
5516.9100	5516.9100.1000					
5516.9200	5516.9200.1000					
5516.9300	5516.9300.1000					
5516.9400	5516.9400.1000					
2	Woven Furnishing fabric for Sofa and Curtains (Valvet)	5801.2100	5801.2100.1000	USS 4.50 per Kg	4.75 per Kg	USS 5.50 per Kgs
		5801.2600	5801.2600.1000			
		5801.2700	5801.2700.1000			
		5801.3100	5801.3100.1000			
		5801.3200	5801.3200.1000			
		5801.3300	5801.3300.1000			
		5801.3600	5801.3600.1000			
		5801.3700	5801.3700.1000			
		5801.9000	5801.9000.1000			
		5809.0000	5809.0000.1000			
5907.0000	5907.0000.1000					
3	Knitted Furnishing Fabric (Sued/Flocking and Valvet)	5903.9000	5903.9000.1000	USS 4.50 per Kgs	USS 4.75 per kgs	USS 5.50 per kgs
		6001.2290	6001.2290.1000			
		6001.2990	6001.2990.1000			

Hafiz Muhammad Jokhio
Valuation Officer

Shamim Iqbal
Principal Appraiser

DR. Muhammad Shahzad
Deputy Director

Manzoor Hussain Memon
Director

Dr Muhammad Nadeem Memon
Additional Director