



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 CUSTOM VALUES OF UN-FINISHED / UN-DYED/
UN-BLEACHED POLYESTER (GREY) FABRIC UNDER SECTION 25-A
OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO.771 / 2015)

No.Misc/06/2015-IV

Dated: November, 18, 2015

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Un-finished / Un-dyed / Un-bleached Polyester (Grey) Fabric are determined as follows :-

2. **Background of the valuation issue:** A valuation Ruling regarding Un-finished / Un-dyed / Un-bleached Polyester (Grey) Fabric was issued vide Valuation Ruling No.747/2015, dated 15-06-2015. The said ruling was only for a specific category of grey fabric viz 20 to27 meters/Kg. Reports were received that this created administrative issues for clearance Collectorates as there were likely chances for misdeclaration of meterage/Kg in addition to the general valuation disputes for the grey fabrics that did not fall in the aforesaid category. There was also agitation from the trade that revision was necessary owing to downward trend in its prices in international market. To redress it and especially to do away with the dichotomy, fresh exercise for issuance of Valuation Ruling was initiated.

3. **Stakeholders' participation in determination of Customs values:** The Meeting with stakeholders was scheduled on 17-11-2015 which was attended by commercial importers as well as Filament Yarn Manufacturers Association, who agreed and stressed for having a uniform value for all types of polyester grey fabrics and also requested for downward revision keeping in view the decline in international prices of the commodity.

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 un-finished / un-dyed polyester (grey) fabric. Transaction value method provided in Section 25 (1) was found inapplicable due to absence of resources to verify genuineness of invoices submitted at the time of filing of Goods Declaration and mechanism to check the conditions given in sub-section (1) of Section 25 of the Customs Act 1969 to accept the declared value as



transactional value. 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 and absence of authentic source. Thereafter, market enquiry as envisaged under Section 25(7) of the Customs Act, 1969, was conducted but the goods being industrial items, were not available in the open market. The prices of different types of un-finished / un-dyed Polyester (Grey) Fabric in the market varied significantly and were heavily dependent on quality of the fabric and varieties. 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 un-finished / un-dyed Polyester (Grey) Fabrics have been determined under Section 25(9) of the Customs Act, 1969.

5. **Customs values for Un-finished / Un-dyed Polyester (Grey) Fabrics :** Un-finished / Un-dyed/Un-bleached Polyester (Grey) Fabrics *hereinafter specified* shall be assessed to duty/ taxes at the following Customs Values :-

S.No.	Description of Goods	P.C.T.	Proposed PCT for WeBOC	Origin	Customs Values C&F USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	Un-finished/ Un-dyed/Un-bleached Polyester Grey Fabrics	5407.5100 5407.6100 5407.7100 5407.9110 5512.1110 5512.9110 5512.9920 5515.1910 5515.9910	5407.5100.1000 5407.6100.1000 5407.7100.1000 5407.9110.1000 5512.1110.1000 5512.9110.1000 5512.9920.1000 5515.1910.1000 5515.9910.1000	China	3.75

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.

10. *This ruling supersedes Valuation Ruling No.747/2015, dated 15-06-2015.*


(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.747/2015, dated 15-06-2015.
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.