



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 UV/OP VARNISH AND POLYESTER
POLYAMIDE WIRE ENAMEL/VARNISHES UNDER SECTION 25-A OF THE
CUSTOMS ACT, 1969**

(VALUATION RULING NO. 778/2015)

No.Misc/25/2015-II

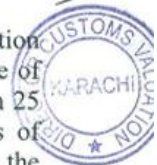
Dated: December,07,2015

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Polyester Polyamide Wire Enamel/ Varnishes are determined as follows :-

2. **Background of the valuation issue:** Customs values of UV/OP Varnish were determined under section 25A of the Customs Act, 1969 through Valuation Ruling No.454/2012, dated 06-04-2012, which is considerably old therefore requires for revision. A reference was also received from MCC (A)-East, Karachi, dated: 20-06-2015, for determination of customs values under Section 25A of the Customs Act, 1969, as the Collectorate received complaint regarding mis-declaration and under invoicing in the import of Polyester Polyamide/wire enamel. Therefore, this Directorate General initiated an exercise for determination of customs value for UV/OP Varnish and Polyester Polyamide /wire enamels/Varnishes.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were held on 18-11-2015 and 30-11-2015, which were attended by different importers, who claimed during the meeting that their imports were against letter of credit/bank documents and that their declarations were correct. They, however, could not submit any corroboratory evidence/documents in support of their contention till date.

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 Polyester Polyamide/wire enamel/Varnishes. Transaction value method provided in Section 25 (1) was found inapplicable due to absence of authentic 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 different in specification and composition of various materials available and absence of authentic source. Thereafter, market enquiry as envisaged under Section 25 (7) of the Customs Act, 1969 was conducted, some reference values obtained but the same could not be relied on due to wide variation in prices. 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 materials at the country of export were not available. The international market prices were also checked through websites i.e. Ali Baba and Zauba. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of UV/OP Varnish and Polyester Polyamide wire enamels/Varnishes have been determined under Section 25 (9) of the Customs Act, 1969.

5. Customs values for UV/OP Varnish and Polyester Polyamide wire enamels/Varnishes: Valuation Ruling of UV/OP Varnish and Polyester Polyamide wire enamels/Varnishes *hereinafter specified* are proposed as under :-

S.No	Description of goods	PCT Heading	Propose PCT for WeBOC	Origin	Customs Value (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	
1.	UV/OP Varnish	3208.1010	3208.1010.1000	USA/UK/EU/ Taiwan/Japan	3.0
		3208.2010	3208.2010.1000		
		3208.1090	3208.1090.1000	Other Origins	2.75
		3208.2090	3208.2090.1000		
		3208.9011	3208.9011.1000		
		3208.9019	3208.9019.1000		
		3208.9020	3208.9020.1000		
		3208.9090	3208.9090.1000		
2.	Polyester Polyamide /wire enamel /Varnishes			USA/UK/EU/ Taiwan/Japan	2.25
				Other Origins	2.00

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 (4) 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 Valuation Ruling supersedes Valuation Ruling No.454/2012, dated 06-04-2012


(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.454/2012, dated 06-04-2012**
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.