



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 MASTERBATCHES
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO.786 / 2016)

No.Misc/55/2009-II (B) 17553

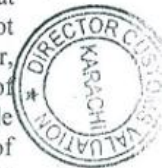
Dated: January, 01, 2016

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

2. **Background of the valuation issue:** Customs values of Masterbatches were determined under Section 25A of the Customs Act, 1969 through Valuation Ruling No.515/2012, dated 27-12-2012. One importer namely M/s.Standard Enterprises, Lahore filed C.P.No.6697 of 2015, before Honourable High Court of Sindh at Karachi stating that the prices have declined in the international market whereas their goods are being assessed on the values determined in the year 2012 by Directorate of Customs Valuation. The said petition was disposed of vide orders dated 17-11-2015, with the directions that *"the respondents to decide the revision of the petition within a period of sixty days"*. Therefore, this Directorate General initiated an exercise for determination of customs values of Masterbatches.

3. **Stakeholders' participation in determination of Customs values:** Meeting with stakeholders was held on 30-12-2015. It was attended by a consultant of the petitioner and two local manufacturers viz M/s.Clariant Pakistan and M/s.Bin Rasheed. The petitioner stated during the meeting that their particular item i.e. Black Masterbatches may be deleted from the existing Valuation Ruling as its values are on lower side than Masterbatches of other colours. On the other hand, the representatives of M/s.Clariant Pakistan claimed that their working showed that prices of masterbatches were higher than Valuation Ruling. This claim was, however, not substantiated with any documentary evidences. Representative of M/s.Bin Rasheed, however, presented detailed working, backed by documentary proof in support of their contention of present prices. He admitted that values of black and white master batches were on lower side than the other colours. He presented calculations showing that values of master batches of colours other than white and black were higher than those determined in the Valuation Ruling No.515/2012, dated 27-12-2012, but the values for white and black colour master batches were on lower side than those determined vide the ruling ibid.

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 Master Batch. 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 goods



value Method provided in Section 25 (5) of Section 25 ibid was next examined and was found to be applicable and the same has been applied in this case.

5. **Customs values for Masterbatch:** Valuation Ruling of Masterbatch *hereinafter specified* are determined as under :-

S.No	Description of goods	PCT Heading	Propose PCT for WeBOC	Origin	Customs Value (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Masterbatch (White colour)	3206.4910 3206.4990	3206.4910.1000 3206.4990.1000	All origins	2.65
2.	Masterbatch (Black colour)	3206.4910 3206.4990	3206.4910.1100 3206.4990.1100	All origins	2.10
3.	Masterbatches (All other colours)	3206.4910 3206.4990	3206.4910.1200 3206.4990.1200	All origins	4.16

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.515/2012, dated 27-12-2012.*


(Manzoor Hussain Memon)
Director