



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 Acrylic Yarn (Raw White & Dyed)**  
**Under Section 25-A of the Customs Act, 1969**

(VALUATION RULING NO. 795/2016)

No.Misc/ 25 /2012-IV

Dated: January 18, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Acrylic Yarn (Raw White & Dyed) are determined as follows: -

2. **Background of the valuation issue:** The previous Valuation Ruling of Acrylic Yarn was issued vide Valuation Ruling No. 502/2012, dated 04-12-2012. Several importers approached this Directorate General for revision of the same since it was more than three years old. Moreover, MCC Preventive (Lahore), vide their letter C.No.124/V-Cus/RS/T-10/Misc/2015/1790 dated 11-01-2015 requested for determination of Customs Values of Indian origin Acrylic yarn dyed and Acrylic yarn raw white separately. The Gujranwala Chamber of Commerce has also made several representations pertaining to determination of customs values of acrylic yarn of Indian origin. In the light of above, it was deemed expedient to revise the aforementioned Valuation Ruling keeping in view the trends of the international markets.

3. **Stakeholders' participation in determination of Customs values:** Meeting for the determination of customs value of Acrylic yarn (dyed and raw white) was held on 15-01-2016, where different stakeholders, importers, trade bodies including APTMA, Gujranwala Chamber of Commerce & Industry, Gujranwala and representatives of clearance Collectorates, were invited to participate. All participants were requested to submit the following:

- (i) Invoices of imports during last three months showing factual value
- (ii) Websites, names and email addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained
- (iii) Copies of contracts made/ LCs opened during the last three months showing the value of items in question
- (iv) Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions



4. The meeting was attended by different stakeholders including representatives of Pakistan Yarn Merchants Association (PYMA), the representatives of the Gujranwala Chamber of Commerce & Industry, importers and representatives of the clearance Collectorates. During the meeting the Association of yarn merchants requested for downward revision of values of acrylic yarn but did not submit the aforementioned documents to substantiate their claim. Instead of furnishing any documentary evidence about downfall in



prices in the international market, they relied upon their rhetoric of decline in international prices. They were informed that in the absence of authentic documentary evidence of prices in the international market of the goods in question, they were being requested to furnish their Sales Tax Invoices along with their monthly Sales Tax Returns filed with Inland Revenue Department. The purpose of asking for Sales Tax Invoices was to assist the Directorate to work out the correct C&F value under work-back method in terms of Sub-Section (7) of Section 25 of the Customs Act, 1969 as Sales Tax Invoice is authentic document to ascertain local market price. They were also informed that maintenance of Sales Tax Invoices and monthly returns is mandatory under the Sales Tax Law on each taxpayer, therefore, they should not hesitate to submit them to the Customs Department as the Customs has authority in terms of Sub-section (11) of Section 25 of the Customs Act, 1969, to call any documents to satisfy about the truthfulness of accuracy of any information or declaration made to Customs for Valuation purpose. None of them submitted Sales Tax invoices along with monthly Sales Tax returns, on one excuse or the other. This attitude on the part of importers indicates that they are not passing on the benefit of the downward trend in previous and current price of acrylic yarn in international market to the end consumers / buyers and pocketing it with them which is neither legally nor ethically and morally justifiable, as the common man is suffering from price hike despite downward trend in prices of goods in international market and on the other hand importers only are reaping its benefit and the Government is being abused by the public on price hike. On the other hand local manufacturers of acrylic yarn requested to maintain the current ruling as it is truly reflecting the international values.

5. **Method adopted to determine Customs values:** After detailed deliberation, valuation methods stipulated in Section 25 of the Customs Act, 1969 were sequentially followed and thoroughly exhausted to arrive at fair value of Acrylic Yarn. Transaction value method under Sub-Section (1) of Section 25 of the Act, 1969, was found inapplicable because it is generally known that most of the invoices are manipulated/fabricated locally hence reliance thereon cannot be made to ascertain the correct transactional value. Methods provided in Section 25(5) & (6) regarding Identical / Similar goods value were examined for applicability to the valuation issue in the instant case which provided nominal (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, a market enquiry as envisaged under Section 25(7) of the Customs Act, 1969, was conducted. The prices of different types of Acrylic Yarn in the market varied significantly and were heavily dependent on quality of the Acrylic Yarn 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 of constituent material in the country of export were not available. Online values of different types of acrylic yarn were also examined. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, after due deliberations, the Customs values of Acrylic Yarn have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Acrylic Yarn :** Customs values for Acrylic Yarn (Raw white and Dyed) *hereinafter specified* shall be assessed at following Customs Values:

S.No.	Description of goods	PCT Heading	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS / Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Acrylic Yarn (Raw White)	5509.3100	5509.3100.1000	China/ Far East	4.00
		5509.3200	5509.3200.1000	India	4.10
		5509.6200	5509.6200.1000	India (Via Land)	3.90



		5509.6900	5509.6900.1000	Route)	
2.	Acrylic Yarn (Dyed)	5509.3100	5509.3100.1100	China/ Far East	4.40
		5509.3200	5509.3200.1100	India	4.50
		5509.6200	5509.6200.1100	India (Via Land Route)	4.30
		5509.6900	5509.6900.1100		

7. 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.

8. **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.

9. **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, 7<sup>th</sup> Floor, Custom House, Karachi.

10. 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 this Directorate General immediately.

11. *This ruling supersedes Valuation Ruling No.502/2012, dated 04-12-2012.*

  
(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), 1<sup>st</sup> 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 WeBOC database system and deleting Valuation Ruling No.502/2012, dated 04-12-2012 on the date of issue of this Valuation Ruling.