



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorates, Appraisement (East/ West) / Port Qasim / Preventive), Karachi / Lahore (Appraisement/Preventive) / Multan / Islamabad / Sambrial(Sialkot) / Faisalabad / Hyderabad / Quetta/ Peshawar/ Gawadar/ Gilgit-Baltistan

DETERMINATION OF CUSTOMS VALUE OF GLYCERINE
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 798/2016)

No.Misc/04/2009-II

17871

Dated : 21st January 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs value of Glycerin is determined as follows:-

2. **Background of the valuation issue:** Customs values of Glycerine was determined vide Valuation Ruling No.416/2012 dated 20-01-2012. The trade community was demanding revision in price of Glycerine, claiming downward trend in their prices in international market. Accordingly to ascertain the current prices prevailing in the international market, an exercise to determine the customs values of Glycerine was undertaken by this Directorate General.
3. **Stakeholder's participation in determination of Customs value :** Meeting with the stakeholders was held on 21-01-2016. It was attended by commercial importers as well as local manufacturers of chemical industries and office bearers/representatives of Pakistan Chemical Dyes Merchants Association (PCDMA) and the Chairman, Standing Committee on Customs Valuation, The FPCC&I, Karachi. Though the participants as well as the Association, namely, Pakistan Chemicals & Dyes Merchants Association, were requested to provide documents like Copies of contracts made/LC's, Sales Tax Invoices, to substantiate their contention of decrease in market prices, yet they did not provide required documents before the meeting. Again during the meeting the participants were requested to (i) submit Invoices of imports made during last three months showing factual value.(ii) Websites, names and E-mail addresses of known foreign manufacturers of the items 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 and (iv) Copies of Sales Tax Invoices issued during last four months showing the difference in prices to substantiate that the benefit of difference in price was passed on to the local buyers.
4. The importers submitted their import invoices and internet websites for checking the prices in international markets. However they were adamant not to submit Sales Tax Invoices alongwith their monthly sales tax returns to ascertain whether they were passing the difference in prices fallen (if any) in the international market to consumer / buyer or pocketing the whole difference in prices themselves. They were informed that maintenance of Sales Tax Invoices and monthly returns is mandatory under the Sales Tax Law on each taxpayer, therefore, they should not be hesitant 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. Moreover, they were informed that Sales Tax Invoices were authentic documents to show the price on which the goods are traded and a document for working out the actual C&F price with work-back method in case determination of value is done under Sub-Section (7) of Section 25 of the Customs Act, 1969. Since they were not forthcoming to furnish the complete Sales Tax documents on one excuse or the other and ample data / declared values in past ninety days also available with the Department and as the matter was lingering on, it, was decided to proceed on merit in the light of available import record.

5. **Method adopted to determine customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue in hand. Transaction value method under Sub-Section (1) of Section 25 of the Act, 1969, was found inapplicable because it is generally known to all that most of the invoices are manipulated / fabricated locally, hence, total reliance thereon cannot be made to ascertain the correct transactional value. Identical / similar goods value methods provided in Sub-Sections (5) & (6) of Section 25 ibid were adopted for determination of customs value of Glycerine. So, import data obtained from PRAL was analyzed. Consequently, the customs value of Glycerin has been determined under Section 25(5) & (6) of the Customs Act, 1969, as there was sufficient evidences / declarations available for such determination.

6. **Customs Value of Glycerine:** Customs value of Glycerine *hereinafter specified*, shall be assessed to duty / taxes on the Customs values mentioned against them in the Tables below :-

S.No.	Description of goods	Origin	PCT Heading	Proposed PCT for WeBOC	Customs Values (C&F) USS/ Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Glycerine	All Origins	2905.4500	2905.4500.1000	0.70

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, or by land route, the assessing officer shall take into account the differential between air freight or land route transportation charges and sea freight while applying the Customs values determined in this Ruling.
8. **Validity of 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, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.



10. The Collectors of Customs may kindly ensure that the value 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 for redressal.
11. ***This Valuation Ruling supersedes previous Valuation Ruling No.416/2012, dated 20-01-2012.***


(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, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1st floor, PT&T Audit Building, Mauj-e-Darya Raod, Lahore.
9. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit, (Customs), Islamabad.
11. Director, Intelligence & Investigation, Karachi/Lahore/Islamabad/Quetta/Peshawar/Faisalabad.
12. Director, Customs Valuation (Camp Office), Custom House, Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading this Ruling in WeBOC and deleting the previous Valuation Ruling No.416/2012, dated 20-01-2012 in the system on the date of issuance of this ruling.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chamber 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.