



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorate, 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 Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type) Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 889/2016)

No. Misc/29/2012-II

8719

Dated: 28th June, 2016.

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of **Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type)**, are determined as follows:-

2. **Background of the valuation issue:** Customs values of **Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type)** were earlier determined through Valuation Ruling No.781/2015, dated 16.12.2015. There were number of representations filed by importers against the said ruling. The honorable High Court of Sindh at Karachi vide orders dated 10-11-2015 in constitutional petition No. D-6918/2015 directed that in cases where the valuation ruling is more than 90 days old and an importer has approached Director Valuation in terms of Para 21 of the Judgment in the case of Sadia Jabbar and Danish Jehangir supra, fresh consignments of such importers shall be allowed provisional release in terms of Section 81 of the Customs Act, 1969 by securing the differential amount of duty and taxes in the shape of Pay Order/ Bank Guarantee as the case may be, by the Director Valuation and or the concerned Collector without fail. Since 90 days have passed and a number of representations were received from commercial importers and M/s Pakistan Chemicals and Dyes Merchants Association (PCDMA) Karachi regarding re-determination of customs values of **Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type)**. Hence an exercise was initiated an elaborate exercise for issuing new valuation ruling of **Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type)**, with a view to reflect the current prices of these items prevailing in the international market.

3. **Stakeholders' participation in determination of Customs values:** Meeting with stakeholders including importers, and M/s Pakistan Chemicals and Dyes Merchants Association (PCDMA) Karachi and representatives of trade bodies was held on 27-06-2016 to discuss the current international prices of the subject goods. The view point of all participants was heard in detail and considered to arrive at Customs value for subject goods.

4. **Method adopted to determine Customs values:** Valuation methods of Section 25 of the Customs Act, 1969 were adopted and applied sequentially to address the valuation issue at hand. Transaction value method provided in Sub-Section (1) of Section 25 was found inapplicable as the requisite information required under the law was not available to arrive at the correct



transactional value. Identical/similar goods value methods provided in Sub-Sections (5) & (6) of Section 25 ibid were examined sequentially for applicability to determine Customs values of subject goods, this data provided some references however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidence of qualities, commercial levels, imports routed through countries other than the manufacturers etc, and also it was observed that importers usually provide misleading descriptions while declaring their imports, as other types and varieties of similar goods to avoid application of the relevant valuation ruling. Information available was hence found inappropriate. This office then conducted a market enquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969 however, it was found that determination of Customs value could not be based solely upon this method either. Valuation method provided vide section 25(8) of Customs Act, 1969 could not be applied as the conversion costs from constituent materials and allied expenses, at country of export are not available. Finally PRAL database, market information was evaluated and international prices from internet sources were thoroughly examined. All the information so gathered was analyzed for determination of customs value. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied and relied upon to derive at and determine assessable customs values of and M/s Pakistan Chemicals and Dyes Merchants Association (PCDMA) Karachi. The participants were split on decision to link the values to the ICIS, as there is constant variation and some of the components of final product are not being incorporated. Moreover the Scan prices are not readily available to all clearance Collectorates, as for as Sust, Taftan etc. Manufacturer also strongly opposed any decrease in value as oil and chemical prices are going up. M/s Taufail Chemical Industries Ltd, representing the Manufacturers Stated that import data of Raw Materials for Linear Alkyl Benzene Import Data of Raw Material Linear Alkyl Benzene for last 3 Months showing increase in prices from US\$ 1050 during March to US\$ 1179.60 in June ,2016. The manufacturers opposed any reduction in pervious valing as no substantial ground exist for such revision. However representative of Colgate Palmolive Supported the contention of importer for reduction in value.

5. Custom value for **Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type): Linear Alkyl Benzene Sulphonic Acid (Soft & Hard type) hereinafter** specified shall be assessed to duty/taxes at the following Customs Values:-

S.No	H.S.Code	Proposed PCT WeBOC	Item Description	Origin	Customs Values (C&F) US\$/Kg.
(1)	(2)	(3)	(4)	(6)	(7)
01.	3402.1110 3402.1190	3402.1110.1000 3402.1190.2000	Linear Alkyl Benzene Sulphonic Acid (soft & Hard type)	All origins	1.250
02.	3402.1110 3402.1190	3402.1110.3000 3402.1190.4000	Linear Alkyl Benzene Sulphonic Acid (soft & Hard type)	Iran- Imported by Land route.	1.230

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, or by land route, the assessing officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling. The Customs Values determined in the ruling are for the descriptions and



specifications as mentioned herein. HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling requisite formalities relating to importability or any other certifications required thereon.

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-Section (4) of Section 25A or section 25D 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 issuance 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 this Directorate General immediately for redressal.

10. ***This Valuation Ruling supersedes Valuation Ruling No. 781 /2015, dated 16.12.2015.***


(Dr. Wasif Ali 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.
9. 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. 781/2015, dated 16.12.2015.
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.