



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectrates, 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 Metallic Yarn
Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 964 / 2016)

File No. Misc/02/2010-IV | 9830

Dated 11-11-2016

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

2. **Background of the valuation issue:** Number of representation were received from different importers of metallic yarn against valuation ruling in field vide its No.796 / 2016 dated 18-01-2016, stating that the international prices have come down and the existing values in said ruling are on much higher side. Therefore, an exercise was undertaken by this Directorate General to revise the same according to trends prevailing in the current international market.

3. **Stakeholders' participation in determination of Customs values:** A meeting was scheduled on 12-08-2016 where different stakeholder including importers, representatives of clearance Collectorate, and trade bodies were invited to participate. No one attended the meeting. Another meeting was scheduled on 30-08-2016 and again different stakeholders, including importers / complainant M/S Lorex Industries Karachi & members of FPCC&I, KCC&I and representatives of clearance Collectorate and trade bodies were requested to attend the meeting. None of the stakeholders and their representative appeared for the meeting scheduled on 30-08-2016. Lastly, a final notice was served to all stakeholders' including the complainant M/S Lorex Industries to attend the meeting scheduled on 10-11-2016 for their input in the chamber of Director Valuation. Both the importers as well as the local manufactures participated in the meeting and put forth their point of view regarding types, origins, values, cost of manufacturing and other factors which influence the values and trade. All the participants were requested to submit the samples and the following documents so that correct customs values could be determined:-

- i) Invoices of imports during last three months showing factual value.
- ii) Websites, names and E-mail 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 item in question.



iv) Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

4. M/S Lorex Industries (complainant) forwarded copy of Performa invoice, copy of Letter of credit, and the main thrust of the complainant was that goods are being under invoiced due to misdeclaration of different types of Metallic Yarn whose values varies, once the all types are mentioned in the valuation ruling the matter will be solved. On the other hand the importers did not agreed and stated that it will create confusion at the time of examination of the goods moreover, they also agitated on the proposed values by the local manufacturer.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available. 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. Thereafter, market enquiry as envisaged under Section 25(7) of the Customs Act, 1969, was conducted. The prices of different types of Metallic Yarn in the market varied significantly and were heavily dependent on quality of the metallic yarn and the location of the selling point or shop in the city. Online values were also checked. 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 material at the country of export were not available. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Metallic Yarn have been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Metallic Yarn:** Customs Values of Metallic Yarn *hereinafter specified* shall be assessed at following Customs Values:-

S. No.	Description of Goods	PCT	Proposed PCT For WBOC	Origin	Customs Values (C & F) US \$ / KG
	(1)	(2)	(3)	(4)	(5)
1.	Aluminum Metalized Metallic Yarn (All Colors) M Type	5605.0000	5605.0000.1000	China / India	4.00
				Others	7.00
2	Aluminum Metalized Metallic Yarn (All Colors) ST / MX / MS Type	5605.0000	5605.0000.1100	China / India	4.20
				Others	9.00



3.	Aluminum Metalized Metallic Yarn (All Colors) Nylon /-Viscose	5605.0000	5605.0000.1200	China / India	6.00
				Others	9.00

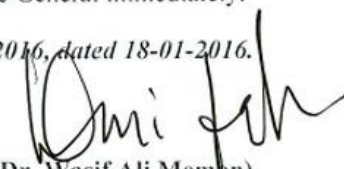
7. In cases where declared/ transaction values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Sub-Section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into 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, 7th 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 Directorate General immediately.

11. *This ruling supersedes Valuation Ruling No.796/2016, dated 18-01-2016.*


(Dr. Wasif Ali Memon)
Director

Copy for kind 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.796/2016,