



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI

The Collectors of Customs, Model Customs Collectorate, Appraisement (East / West) / Port Qasim, Export (Port Qasim) / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan, Directorate General of Transit Trade, Karachi.

Determination of Customs Values of White Oil, Under Section 25-A of the Customs Act, 1969 1226

(VALUATION RULING NO./2017)

No.Misc/26/2017-I/2177

Dated: November 29, 2017

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

2. **Background of the valuation issue:** Reference from clearance Collectorate was received for determination of customs values of white oil. Hence an exercise was initiated by this Directorate General to determine the customs values of White Oil under section 25(A) of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meeting with stakeholders including importers, and representatives from field formations were held on 09.11.2017 to discuss the current international prices of the subject goods. A number of importers attended the meeting. Another meeting was held on November 20, 2017. The stakeholders informed that there are no problems in value for imports from India and other origins but shipments of white oil from United Arab Emirates (UAE) are grossly undervalued and emphasized that white oil is not produced in UAE and stated that the imports from UAE are either of Indian or other origin. The participants also informed that besides under-invoicing some importers declare incorrect PCT Headings to evade the government revenue. The participants of the meeting stated that imports of white oil from UAE logically becomes costlier than direct shipment from that origin where white oil is manufactured. They requested that customs values of white oil may be determined and notified by keeping in view their respective quality/grades. The importers also requested that the Customs Values may be determined for imports in drum packing. In case the goods are imported in ISO tanks / bulk vessels a reasonable discount may be allowed for assessment purpose. The view point of all participants was heard in detail and considered to arrive at Customs values of the white oil.

4. **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly followed and applied sequentially to address

the valuation issue at hand. Transaction value method provided in Sub-Section (1) of Section 25 was found inapplicable because information is needed was not available. Identical / similar goods value method provided in Sub-Sections (5) & (6) of Section 25 *ibid* were examined for applicability to determine Customs value of subject goods. This data provided good reference for a number of origins and specifications, however, it was found that the same cannot be solely relied upon due to variation in quality and non-declaration of the grade/ Technical number. In line with the statutory sequential order of Section 25, this office then conducted a market inquiries using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969, therefore, customs values were determined under section 25(7) of the Customs Act, 1969.

5. Customs values for White Oil: The White Oil hereinafter *specified* shall be assessed to duty and taxes at the following Customs Values:

S. No.	Description of Goods	PCT Code	Proposed PCT for WEBOC	Origin	Customs Values (C&F) USS/kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Light White Oil (up to WOT 100)	2710.1996 2710.1250	2710.1996.1000 2710.1250.1000	India/China	0.85
			2710.1996.1100 2710.1250.1100	South Korea	0.92
			2710.1996.1200 2710.1250.1200	United Arab Emirates (UAE)	0.95
			2710.1996.1300 2710.1250.1300	Other origins	0.90
			2710.1996.1400 2710.1250.1400	India/China	0.95
2	Medium White Oil (Above WOT 100 but less than WOT 400)	2710.1996 2710.1250	2710.1996.1500 2710.1250.1500	South Korea	1.02
			2710.1996.1600 2710.1250.1600	United Arab Emirates (UAE)	1.05
			2710.1996.1700 2710.1250.1700	Other origins	1.00
			2710.1996.1800 2710.1250.1800	India/China	1.08
3	Heavy White Oil (WOT 400 and above)	2710.1996 2710.1250	2710.1996.1900 2710.1250.1900	South. Korea	1.15
			2710.1996.2000 2710.1250.2000	United Arab Emirates (UAE)	1.20
			2710.1996.21000 2710.1250.2100	Other origins	1.13



Note: - The Customs Values determined above are for imports in drum packing. In case the goods are imported in ISO tanks / bulk vessels US\$100/ M. Ton may be deducted for assessment purpose from above mentioned Customs Values.

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 and the same may be communicated to this Directorate General forthwith. 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 (1) or (3) of Section 25-A of the Customs Act, 1969.

8. **Revision of the value determined vide this Valuation Ruling:** This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, 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. The Custom values determined in the Valuation 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 other certifications required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section of the Customs Act, 1969 or any other law in vogue therein.


(Muhammad Iqbal Muneeb)
Director

29/11/17

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 (Appraisement), 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.