**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 Nylon Yarn Under Section 25-A of the Customs Act, 1969**

**(VALUATION RULING NO. 1270 / 2018)**

No. Misc/03/2018-IV 1324 Dated: March 15, 2018

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

2. **Background of the valuation issue:** There was a representation from Pakistan Yarn Manufacture Association (Pakistan), wherein they contended that value of subject item needs to be aligned with international values. They requested to determine the applicable custom values in accordance with the trend of values in the international market. Keeping in view the prevailing prices of the subject goods, this Directorate General initiated an exercise for determination of the Customs Values of the Nylon yarn in terms of Section 25-A of the Customs Act, 1969.

3. **Stake holders' participation in determination of Customs values:** Meeting for the determination of customs values of the Nylon yarn was scheduled on 15.03.2018. The stake holders were requested to provide the following documents:-

a) *Invoices of imports during last three months.*
b) *Websites, names and E-mail addresses of known foreign suppliers of the item in question through which the actual current value can be ascertained.*
c) *Copies of Contracts made / LCs opened during the last three months.*
d) *Copies of Sales Tax Invoices issued during last four.*

The meeting was attended by office bearers of Pakistan Yarn Merchants Association (PYMA), Karachi. The view point of the participants was heard in detail and considered to arrive at custom values of the subject good. The PYMA contended that their proposition of values of different types of Nylon Yarns accurately reflects international values. As and when, there are significant variations; they would themselves approach custom authorities for redetermination of custom values.

4. **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to arrive at customs values of subject goods. The transaction value method as provided in Sub-Section (1) of Section 25 of the Customs Act, 1969 was found inapplicable due wide variation of values declared to Customs. Hence requisite information required under law was not available to arrive at the transaction value. Therefore, identical / similar goods value method as provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case but due to non submission of import

documents / values by the importers, the same could not be adopted for valuation. Information available was hence, found inappropriate. In line with the statutory sequential order of Section 25, this office conducted market inquiries using Deductive Value Method under Sub-Section (7) of Section 25 of the Customs Act, 1969 therefore, customs values of different types of nylon yarn are determined under Sub-Section (9) of Section 25 of the Customs Act, 1969.

**5. Customs values of Nylon Yarn**: Nylon Yarn of different specifications ***hereinafter specified*** shall be assessed to duty / taxes at the following Customs Values:-

| S. No | Description of Goods | Denier Range | PCT | Proposed PCT for WeBOC | Origin | Custom Value US$/ Kg |
|---|---|---|---|---|---|---|
| 1 | Nylon Textured Stretch Yarn 70/24/1 Raw White | 66 to 200 | 5402.3100<br>5402.3200 | 5402.3100.1000<br>5402.3200.1000 | China /Taiwan | 2.7 |
| 2 | Nylon Textured Stretch Yarn 70/24/2 Raw White | 66 to 200 | 5402.3100<br>5402.3200 | 5402.3100.1100<br>5402.3200.1100 | China /Taiwan | 2.7 |
| 3 | Nylon Textured Stretch Yarn 70/24/2 Black | 66 to 200 | 5402.3100<br>5402.3200 | 5402.3100.1200<br>5402.3200.1200 | China /Taiwan | 3 |
| 4 | Nylon Textured Stretch Yarn 70/24/2 Dyed Colors | 66 to 200 | 5402.3100<br>5402.3200 | 5402.3100.1300<br>5402.3200.1300 | China /Taiwan | 3.3 |
| 5 | Nylon Filament Yarn 40/12 Bright | 35 to 65 | 5402.4500 | 5402.4500.1000 | China /Taiwan | 2.5 |
| 6 | Nylon Filament Yarn 70/24 Bright | 66 to 200 | 5402.4500 | 5402.4500.1100 | China /Taiwan | 2.4 |
| 7 | Nylon Filament Yarn 210/24 Bright | 201 to 250 | 5402.4500 | 5402.4500.1200 | China /Taiwan | 2.5 |
| 8 | Nylon Mono-filament Yarn 20/1 | 15 to 25 | 5402.4500 | 5402.4500.1300 | China /Taiwan | 3.5 |

**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

Copy for information to: -

1. The Member (Customs), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisement), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Director General, Intelligence and Investigation-FBR, Islamabad.
8. The Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. The Director General, Post Clearance Audit (PCA), Islamabad.
10. The Director General, Internal Audit (Customs), Karachi.
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Multan.
12. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs &We BOC database system
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & Peshawar.
16. The Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. The Revision Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. The Karachi Customs Agents Group, Bohri Road, Karachi.
19. The CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC Appraisement, 1st Floor, Custom House, Karachi.
21. The Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading on FBR Website.
22. Guard File.