GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

******

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

Determination of Customs Values of Polyester Spun Yarn, Viscose Spun Yarn, Acrylic Spun Yarn and Blends thereof, Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1276 / 2018)

No. DG/VDB/REF/48/VAL/2016 /363 Dated: March 28, 2018

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, custom values of Polyester Spun Yarn, Viscose Spun Yarn, Acrylic Spun Yarn and blends thereof, are determined as follows:

2. **Background of the Valuation Issue:** Earlier the Customs values of Polyester Spun Yarn, Viscose Spun Yarn, Acrylic Spun Yarn and blends thereof were determined vide Valuation Ruling No.1161 dated 12.05.2017. M/s APTMA (All Pakistan Textile Mills Association) vide letter No. PO/FBR-CUSTOMS/2018/0157 dated 2nd February, 2018 requested to revise the Valuation Ruling No.1161 dated 12.05.2017 for Polyester Spun Yarn, Viscose Spun Yarn, Acrylic Spun Yarn and blends thereof as the prices of raw material i.e. Polyester Staple Fiber, Viscose Staple Fiber and Acrylic Staple Fiber has gone up in the international markets. Perusal of clearance data of import of subject items also reflected up-word trend of prices. Since the existing Valuation Ruling is formulae based and the formulae have been determined with the participation of stakeholders and industry experts, therefore, fresh values as per the formulae were obtained for calculation and determined of values of subject goods.

3. **Stakeholders' Participation in Determination of Customs Values:** Meetings with stakeholders were held on 22.02.2018 and 27.03.2018. Representatives of M/s All Pakistan Textile Mills Association (APTMA) and M/s Pakistan Yarn Merchants Association (PYMA) participated in the subject meetings. Representative of both Associations acknowledged up-word price trend of raw materials in the international markets. The M/s APTMA vide letter No. PO/FBR-CUSTOMS/2018/0157 dated 6th February, 2018 communicated the values of Polyester Staple Fiber (PSF), Viscose Staple Fiber (VSF) and Acrylic Fiber from CCFEI. The Directorate General Customs Valuation followed the formula/procedure as mutually agreed by both trade bodies i-e., M/s APTMA and M/s PYMA which were determined while issuing VR 1161/2017 and are mentioned below. Following are the relevant details required for determination of Customs Values of Spun Yarn (Polyester, Viscose & Acrylic) and blend thereof.

a. **That for raw material:**

Three months import data from WeBOC is taken and data of identical goods is taken from CCFEI (China Chemical & Fiber Economic Information Network-CCFEI Website (CCFEI data being unbiased and neutral cannot be influenced by any of the stakeholders) and to take weighted averages of three months (i.e. total of value divided by total of quantity, without any outliers). Data from WeBOC and CCFEI website is used to ascertain the international raw material trading-prices of polyester staple fiber,

customnews.pk

viscose staple fiber and acrylic staple fiber separately. In this manner the value calculated for Polyester staple fiber is US $ 1.16/Kg (months of December 2017, January and February 2018). Value calculated for Viscose staple fiber is US $ 1.91/Kg (months of December 2017, January and February 2018). Value calculated for Acrylic staple fiber is US $ 2.16/Kg (months of December 2017, January and February 2018).

b. **That for determination of the conversion costs (from polyester / viscose staple fibers to subject items) for each count of polyester and viscose yarn:**
After detailed examination of each aspect of manufacturing, the agreed upon conversion-costs (for each count of polyester, viscose and blended yarns) were separately provided by the PYMA and APTMA), keeping in view the Ring Spinning machines, Rotor Spinning Machines and Vortex/Jet Spinning machines (MJS or MVS).These conversion costs were adopted to determined values of subject items. Conversion cost from raw material (i.e.100% polyester and 100% viscose staple fiber) to a single count-yarn/Kg is = US $ 0.0175/count/Kg provided below vide Table-A.

c. **The conversion cost to convert staple fiber (of polyester, viscose and Acrylic) into blended yarn:**
The agreed upon conversion-costs (for each count of polyester, viscose and blended yarns of Ring Spinning machines, Rotor Spinning Machines and Vortex/Jet Spinning machines (MJS or MVS) were separately provided by the industry experts i.e. PYMA and APTMA. These conversion costs were adopted to determine values of subject items. Conversion cost from raw material (i.e. Polyester and viscose staple fiber) to a single-count-blended-yarn/Kg is = US $ 0.02/count/Kg provided in Table-B.

d. **The conversion cost of converting staple fiber (of polyester and viscose) into double or multiple yarn of different counts that are being imported:**
Agreed upon conversion-costs (for double and multiple yarn of each count of polyester, viscose and blended yarn of Ring Spinning machines, Rotor Spinning Machines and Vortex/Jet Spinning machines (MJS or MVS) were separately provided by the industry experts i.e. PYMA and APTMA. These conversion costs were adopted to arrive at the values of subject items. The additional conversion cost of converting any of the subject yarns into doubled/folded/multiple yarns of 20 count, 30, 40 and 50 counts are separately specified vide Table C below.

4. Moreover fixed CONVERSION COST TABLES (i.e. cost of energy, cost of labor, machinery-depreciation cost and machine-maintenance cost) provided to the Directorate General Customs Valuation are as follows:-

Table A For 100% Polyester or 100% Viscose Yarn. (US$ .0175/Count/Kg)

Count		Conversion Cost	
10		$0.175	/KG
20		$0.350	/KG
26		$0.455	/KG
30		$0.525	/KG
36		$0.630	/KG
40		$0.700	/KG
50		$0.875	/KG
60		$1.050	/KG

Table B For Blends of Polyester-Viscose & Polyester-Acrylic in any Ratio. (US$ .02Count/Kg)

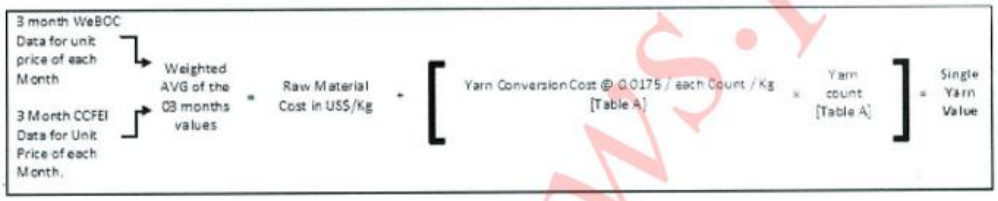
Count		Conversion Cost	
10		$0.200	/KG
20		$0.400	/KG
26		$0.520	/KG
30		$0.600	/KG
36		$0.720	/KG
40		$0.800	/KG
50		$1.000	/KG
60		$1.200	/KG

customnews.pk

Table C	Doubling Expense/Cost		
	Count	Doubling Cost	
	20	$0.25	/KG
	30	$0.30	/KG
	40	$0.40	/KG
	50	$0.50	/KG

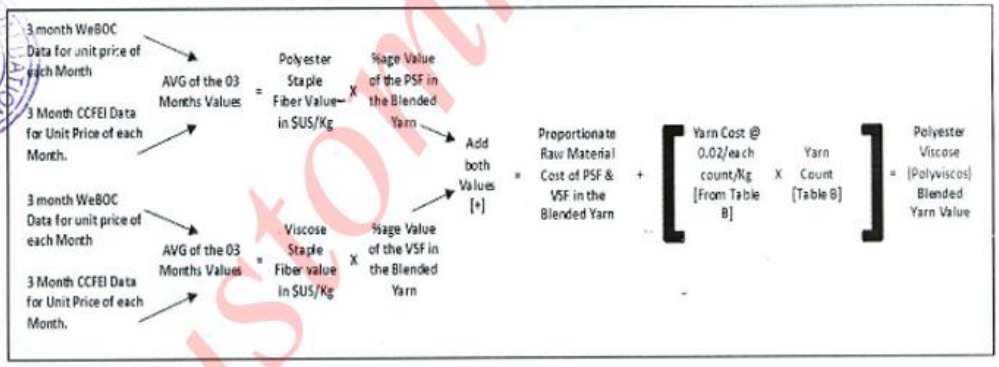
Formulae for converting 100% Polyester Staple Fiber into 100% Polyester Yarn AND For 100% Viscose Staple Fiber into 100% viscose yarn

Formula A



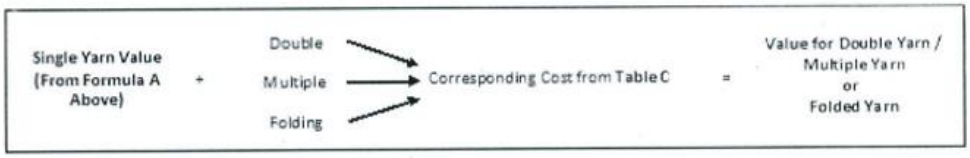
Formulae for converting Polyester Staple Fiber and Viscose Staple Fiber into Polyester – Viscose Blended Yarns

Formula B



Formulae for converting 100% Polyester Yarn into Double / Folded / Multiple Yarn AND 100% Viscose Yarn into Double / Folded / Multiple Yarn

Formula C



Customnews.pk

6. **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 because requisite information was not available as per law. The wide variation of values displayed in the import data as available on record also strengthened the aforementioned fact. 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, the same provided some reference values but they could not be exclusively and solely relied upon. 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 which provided wide range of prices depending upon variety/quality /counts etc. of Spun Yarn and location of the market. Hence, this method of valuation could not be exclusively relied upon due to the aforesaid reasons. Thereafter, Sub-Section (8) was examined but valuation under this sub-section could not also be made due to non availability of conversion and processing cost of the exporting country. Finally reliance had to be made on Sub-Section (9) of Section 25 of the Customs Act, 1969. All information gathered above was utilized, evaluated and analyzed for purpose of determination of customs values. Consequently, customs values of spun yarn of Polyester, Viscose, Acrylic and blends thereof have been determined under section 25 (9) of the customs act 1969.

Customs values for Spun Yarns (Polyester Viscose and Acrylic): Spun yarn (Polyester, Viscose & Acrylic) and blend thereof ***hereinafter*** specified shall be assessed to duty / taxes at the following Customs Values:-

Description	**100% Polyester Spun Yarn Ring Spun or Vortex / MJS Yarn**				
Count	**20**	**30**	**40**	**50**	**60**
Value	**$ 1.51**	**$ 1.69**	**$ 1.86**	**$ 2.04**	**$ 2.21**
PCT	5509.2100				
WeBOC PCT	5509.2100.1000	5509.2100.1100	5509.2100.1200	5509.2100.1300	5509.2100.1400

Description	**100% Polyester Spun Yarn (Raw White on Cones or Hanks), for 02, 03 and 04 ply**						
Count	**20 or 21 (2,3,4 PLY)**	**24 (2,3,4 PLY)**	**30 (2,3,4 PLY)**	**34 (2,3,4 PLY)**	**40 (2,3 PLY)**	**50 or 52 (2,3,4 PLY)**	**54 (2,3,4 PLY)**
Value	**$ 1.76**	**$ 1.83**	**$ 1.99**	**$ 2.10**	**$ 2.26**	**$ 2.54**	**$ 2.65**
PCT	5509.2200						
WeBOC PCT	5509.2200.1000	5509.2200.1100	5509.2200.1200	5509.2200.1300	5509.2200.1400	5509.2200.1500	5509.2200.1600

Description	**80% Polyester 20% Viscose Blended Yarn Ring, Rotor or MVS Yarn**				
Count	**20**	**30**	**40**	**50**	**60**
Value	**$ 1.71**	**$ 1.91**	**$ 2.11**	**$ 2.31**	**$ 2.51**

Customnews.pk

PCT	5509.5100				
WeBOC PCT	5509.5100.1000	5509.5100.1100	5509.5100.1200	5509.5100.1300	5509.5100.1400
Description	**70% Polyester 30% Viscose Blended Yarn Ring, Rotor or MVS Yarn**				
Count	**20**	**30**	**40**	**50**	**60**
Value	**$ 1.79**	**$ 1.99**	**$ 2.19**	**$ 2.39**	**$ 2.59**
PCT	5509.5100				
WeBOC PCT	5509.5100.1500	5509.5100.1600	5509.5100.1700	5509.5100.1800	5509.5100.1900
Description	**65% Polyester 35% Viscose Blended Yarn Ring, Rotor or MVS Yarn**				
Count	**20**	**30**	**40**	**50**	**60**
Value	**$ 1.82**	**$ 2.02**	**$ 2.22**	**$ 2.42**	**$ 2.62**
PCT	5509.5100				
WeBOC PCT	5509.5100.2000	5509.5100.2100	5509.5100.2200	5509.5100.2300	5509.5100.2400
Description	**50% Polyester 50% Viscose Blended Yarn Ring, Rotor or MVS Yarn (Viscose-polyester (VP) & Polyester-viscose (PV))**				
Count	**20**	**30**	**40**	**50**	**60**
Value	**$ 1.94**	**$ 2.14**	**$ 2.34**	**$ 2.54**	**$ 2.74**
PCT	5509.5100				
WeBOC PCT	5509.5100.2500	5509.5100.2600	5509.5100.2700	5509.5100.2800	5509.5100.2900
Description	**30% Polyester 70% Viscose Blended Yarn Ring, Rotor or MVS Yarn**				
Count	**20**	**30**	**40**	**50**	**60**
Value	**$ 2.09**	**$ 2.29**	**$ 2.49**	**$ 2.69**	**$ 2.89**
PCT	5509.5100				
WeBOC PCT	5509.5100.3000	5509.5100.3100	5509.5100.3200	5509.5100.3300	5509.5100.3400
Description	**20% Polyester 80% Viscose Blended Yarn Ring, Rotor or MVS Yarn**				
Count	**20**	**30**	**40**	**50**	**60**
Value	**$ 2.16**	**$ 2.36**	**$ 2.56**	**$ 2.76**	**$ 2.96**
PCT	5509.5100				
WeBOC PCT	5509.5100.3000	5509.5100.3100	5509.5100.3200	5509.5100.3300	5509.5100.3400
Description	**35% Polyester 65% Viscose Blended Yarn Ring, Rotor or MVS Yarn**				
Count	**20**	**30**	**40**	**50**	**60**
Value	**$ 2.05**	**$ 2.25**	**$ 2.45**	**$ 2.65**	**$ 2.85**
PCT	5509.5100				
WeBOC PCT	5509.5100.3000	5509.5100.3100	5509.5100.3200	5509.5100.3300	5509.5100.3400
Description	**100% Viscose Spun Yarn Ring Spun, Rotor or Vortex Spun**				
Count	**20**	**30**	**36**	**40**	**52**	**60**
Value	**$ 2.26**	**$ 2.44**	**$ 2.54**	**$ 2.61**	**$ 2.82**	**$ 2.96**
PCT	5510.1100				
WeBOC PCT	5510.1100.1000	5510.1100.1100	5510.1100.1200	5510.1100.1300	5510.1100.1400	5510.1100.1500
Description	**100% Viscose Spun Yarn Ring Spun, Rotor or Vortex Spun (02 ply)**				
Count	**20/2**	**30/2**	**40/2**	**60/2**	
Value	**$ 2.51**	**$ 2.73**	**$ 3.01**	**$ 3.56**	

customnews.pk

PCT	5510.1200				
WeBOC PCT	5510.1200.1000	5510.1200.1100		5510.1200.1200	5510.1200.1300
Description	**70% Polyester 30% Acrylic Blended Yarn Ring, Rotor or MVS Yarn**				
Count	**20**	**30**	**40**	**50**	**60**
Value	**$ 1.86**	**$ 2.06**	**$ 2.26**	**$ 2.46**	**$ 2.66**
PCT	5509.5100				
WeBOC PCT	5509.5100.1000	5509.5100.1100	5509.5100.1200	5509.5100.1300	5509.5100.1400
Description	**30% Polyester 70% Acrylic Blended Yarn Ring, Rotor or MVS Yarn**				
Count	**20**	**30**	**40**	**50**	**60**
Value	**$ 2.26**	**$ 2.46**	**$ 2.66**	**$ 2.86**	**$ 3.06**
PCT	5509.5100				
WeBOC PCT	5509.5100.1000	5509.5100.1100	5509.5100.1200	5509.5100.1300	5509.5100.1400
Description	**50% Polyester 50% Acrylic Blended Yarn Ring, Rotor or MVS Yarn**				
Count	**20**	**30**	**40**	**50**	**60**
Value	**$ 2.06**	**$ 2.26**	**$ 2.46**	**$ 2.66**	**$ 2.86**
PCT	5509.5100				
WeBOC PCT	5509.5100.1000	5509.5100.1100	5509.5100.1200	5509.5100.1300	5509.5100.1400

Note :- The above mentioned customs values are for Spun Yarn (Polyester, Viscose & Acrylic) and blend thereof, of China, Thailand, Indonesia, India and Vietnam origin only. In case the goods are imported from other origins, the same shall be assessed with a 5% (five percent) increase from the prices given in the table.

8. 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.

9. **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.

10. **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.

customnews.pk

11. 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 Customs 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.

12. ***This ruling supersedes Valuation Ruling No.1161 dated 12.05.2017.***

(Muhammad Iqbal Muneeb)
Director 28/3/18

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.
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/ Multan.
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. 1161 dated 12.05.2017.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & Peshawar.
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Revision 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, Appraisement, 1st Floor, Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading on FBR Website.
22. Guard File.

Customnews.pk