



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 Phenolic Resin, Polyurethane Resin, Melamine Resin, Alkyd Resin and Epoxide Resin Under Section 25-A of the Customs Act, 1969

No.Misc/26/17-II

369
1278
(VALUATION RULING NO. / 2018)

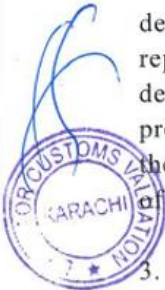
Dated: March 29, 2018

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Phenolic Resin, Polyurethane Resin, Melamine Resin, Alkyd Resin and Epoxide Resin are determined as follows:

2. **Background of the Valuation Issue:** Earlier the Customs values of Phenolic Resin, Polyurethane Resin, Melamine Resin, Alkyd Resin and Epoxide Resin were determined vide Valuation Ruling No.1146/2017 dated 03-05-2017. Several representations were also received from importers wherein they requested to determine the customs value of Phenolic Resin and Epoxide Resin on the basis of prevalent trends in the international market. Keeping in view the prevailing prices, the Directorate General initiated an exercise for determination of the Customs values of the subject items in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders Participation in Determination of Customs Values:** Meetings with the stakeholders including importers and representatives from clearance Collectorates were held on 13-02-2018 and 27-02-2018 to discuss current international prices of the subject items. The importers of phenolic resin requested to include origins like South Africa, Turkey etc. They also contended that values depend on the quality and end-use of the resin, however, could not elaborate specifications which could be incorporated in the Ruling. The importer of Epoxide Resin, requested that in the international market the value of their commodity has declined and may be adjusted accordingly.

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 to wide variations in declarations and incomplete description of specifications/grades. 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 wide variations in the declarations the same could not be relied upon exclusively. 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 certain values. However, this method of valuation could not be exclusively relied upon due to wide variety of grades and quality of goods and values thereof. Therefore, 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. Online values of subject goods were also obtained from the well reputed international websites. Consequently, the customs values of Phenolic Resin, Polyurethane Resin, Melamine Resin, Alkyd Resin and Epoxide Resin have been determined under section 25 (9) of the Customs Act, 1969.

5. **Customs values of Phenolic Resin, Polyurethane Resin, Melamine Resin, Alkyd Resin and Epoxide Resin hereinafter specified** shall be assessed to duty / taxes at the following Customs Values :

S. No	Description of goods	Origin	PCT	Proposed PCT for WEOC	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
	Phenolic Resin	China/ South Africa/Turkey/ India	3909.4000	3909.4000.1000	2.00
2	Phenolic Resin	Korea	3909.4000	3909.4000.1100	2.40
2	Phenolic Resin	Europe	3909.4000	3909.4000.1200	2.55
2	Polyurethane Resin(Liquid Form)	China	3909.5000	3909.5000.1000	2.80
3	Polyurethane Resin (Granules, Pellets Form)	China	3905.5000	3905.5000.1100	3.50
4	Polyurethane Resin (Pre Polymer For Shoe Sole)	China	3905.5000	3905.5000.1200	2.10



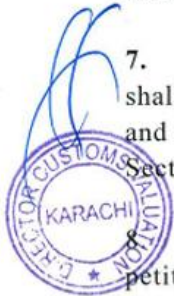
5	Polyurethane Resin	Korea/ Malaysia/ Singapore	3909.5000	3909.5000.1300	3.30
6	Polyurethane Resin	Europe	3909.5000	3909.5000.1400	4.00
7	Melamine Resin	China	3909.2000	3909.2000.1000	1.60
8	Melamine Resin	Taiwan	3909.2000	3909.2000.1100	1.90
9	Alkyd Resin	Europe	3907.5000	3907.5000.1000	26.00
10	Epoxide Resin	China/ Taiwan	3907.3000	3907.3000.1000	3.00
11	Epoxide Resin	Korea/U.A.E	3907.3000	3907.3000.1100	3.20
12	Epoxide Resin (for Paint Industry)	Korea	3907.3000	3907.3000.1200	2.75
13	Epoxide Resin (Lapox C-17 and C-51)	India	3907.3000	3907.3000.1300	3.50

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, the assessing officer shall take into account the differential between air freight and sea freight while applying the Customs values 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-Section (1) or (3) of Section 25-A of the Customs Act, 1969.


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.

9. The Collectors of Customs may kindly ensure that the values given in this Valuation 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. Customs values determined in the ruling are for the descriptions and specifications as mentioned in this Valuation Ruling. HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any 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 15 of the Customs Act, 1969 or any other law in vogue therein.

10. *This ruling supersedes Valuation Ruling No.1146/2017, dated 03-05-2017.*


(Muhammad Iqbal Muneeb)
Director
29/3/18

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. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No.1146/2017 dated 03.05.2017.
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. 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.