GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI
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The Collectors of Customs, Model Customs Collectorates of Appraisement East/West / PortQasim/Preventive (Karachi)/Appraisement (Lahore)/ Preventive (Lahore)/Sambrial (Sialkot)/ Faisalabad/Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar and Gilgit-Baltistan.

Determination of Customs Values of Chemicals, Boric Acid, Aluminum Oxide, Chromic Acid, Barium Chloride, Sodium Meta Bi-Sulphite, Sodium Hexa Meta Phosphate, Borax Deca-hydrate, Chloroform,Sodium Acid Pyrophosphate, Di-pentene, Stearic Acid , Mono & Di Ethylene Glycol and Perchloro Ethylene Under Section 25-A of the Customs Act, 1969.

No.Reg.Misc./29/2012-II Dated: July 12, 2018

(VALUATION RULING NO.1311 / 2018)

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of chemicals namely Boric Acid, Aluminum Oxide, Chromic Acid, Barium Chloride, Sodium Meta Bi-Sulphite, Sodium Hexa Meta Phosphate, Borax Deca-hydrate, Brown Aluminum Oxide, Sodium Acid Pyrophosphate, Di-pentene Chloroform, Stearic Acid (single & triple pressed), Mono & Di Ethylene Glycol and Perchloro Ethylene are determined as follows:

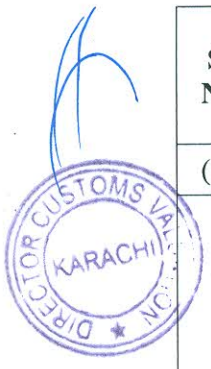
2. **Background of the Valuation Issue**: Earlier the customs values of the subject chemicals were determined vide Valuation Ruling No. 1040/2017 dated 13.02.2017 and 26.04.2017. There were several representations from importers, industrial consumers and from Pakistan Chemicals and Dyes Merchants Association (PCDMA) wherein they contended that customs values determined in the existing valuation ruling are not reflective of prices in international markets. They requested to determine the customs values afresh especially the values of Boric Acid and Borax Deca-hydrate, in accordance with the trend of values in the internationals markets. During the meetings, representative of PCDMA also submitted proposals regarding values of these chemicals. Importers present during the stakeholders meeting mostly agreed with the values proposed by PCDMA. Keeping in view the prevailing prices of the subject goods, this Directorate General initiated an exercise for determination of the Customs Values of the subject Chemicals in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders participation in determination of Customs values:** Meetings with stakeholders including importers, representatives from Pakistan Chemicals and Dyes Merchants Association (PCDMA) and representatives from field formations were held on 12.04.2018 and 11.07.2018, to discuss the current international prices of the subject chemicals. The stakeholders requested that the said valuation ruling may

be reviewed in the light of prevailing international market prices. The view point of all participants was heard in detail and considered to arrive at Customs values of the subject chemicals.

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 items. The transaction value method provided in Sub-Section (1) of Section 25, was found inapplicable because there was wide differences in the declarations. Identical / similar goods value method provided in Sub-Sections (5) & (6) of Section 25 ibid 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. Information available was, hence, found in appropriate. In line with the statutory sequential order of Section 25, this office then conducted market inquiries using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969 and determined customs values of Boric Acid, Aluminum Oxide, Chromic Acid, Barium Chloride, Sodium Meta Bi- Sulphite, Sodium Hexa Meta Phosphate, Borax Deca-hydrate, Brown Aluminum Oxide, Sodium Acid Pyrophosphate, Di-pentene Chloroform, Stearic Acid (single & triple pressed), Mono & Di Ethylene Glycol and Perchloro Ethylene accordingly.

5. **Customs values for Chemicals:** The Chemicals ***hereinafter specified*** shallbe assessed to duty / taxes at the following Customs Values:



S. No	Description of goods	Origin	PCT	Proposed PCT for WEBOC	Customs Values (C&F) US$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Boric Acid	USA/Chile/ Argentina	2810.0020	2810.0020.1000	0.80
		Turkey/ Taiwan/ Russia & other origins	2810.0020	2810.0020.2000	0.69
2	Aluminum Oxide (Ceramic Grade)	All origins	2818.2000	2818.2000.1000	0.85
3	Aluminum Oxide (Excluding Ceramic Grade)	All origins	2818.2000	2818.2000.2000	0.95
4	Brown Aluminum Oxide	China	2818.2000	2818.2000.3000	0.88
5	Chromic Acid/ Chromium Trioxide (all grades)	N. America & Europe	2819.1000	2819.1000.1000	3.10
		All other origins	2819.1000	2819.1000.2000	2.60
6	Stearic Acid (single pressed)	All origins	3823.1100	3823.1100.1000	0.80

7	Stearic Acid (triple pressed)	China	3823.1100	3823.1100.2000	1.05
8		Malaysia	3823.1100	3823.1100.3000	0.90
9	Barium Chloride	China	2827.3900	2827.3900.1000	0.55
10	Sodium Meta Bi Sulphite	China	2832.1090	2832.1090.2000	0.33
11	Sodium Hexa Meta Phosphate (40% & below)	China	2832.1090	2832.1090.3000	0.73
12	Sodium Hexa Meta Phosphate (40% & above)	China	2832.1090	2832.1090.4000	1.00
13	Sodium Hexa Meta Phosphate (Food Grade)	China	2832.1090	2832.1090.5000	1.20
14	Sodium Acid Pyrophosphate (Food Grade)	China	2835.3900	2835.3900.1000	1.03
15	Sodium Acid Pyrophosphate (Food Grade)	Thailand	2835.3900	2835.3900.2000	1.10
16	Borax Decahydrate	Turkey	2840.1900	2840.1900.1000	0.455
		USA	2840.1900	2840.1900.2000	0.525
17	Dipentene/ UrinoneneLimomene/ Terpodiene	China	2902.1920	2902.1920.1000	1.60
18	Chloroform (Trichloromethane)	Russia/ China	2903.1300	2903.1300.1000	0.55
		All other origins	2903.1300	2903.1300.2000	0.52
19	Perchloro Ethylene(Tetra Chloro Ethylene)	All origins	2903.2300	2903.2300.1000	0.62
20	Mono Ethylene Glycol (MEG)	All origins	2905.3100	2905.3100.1000	1.15
21	Di Ethylene Glycol (DEG)	All origins	2905.4100	2905.4100.1000	1.05
22	***Note: The Customs Values of* Mono *Ethylene Glycol (MEG) and Di Ethylene Glycol (DEG)determined above are for imports in drum packing.***				

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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-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

8. **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.1040/2017 dated 13.02.2017 and 26.04.2017.***

(Muhammad Iqbal Muneeb)
Director
12/7/18

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. 1040/2017 dated 13.02.2017 and 26.04.2017.

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.