



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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 CUSTOM VALUES OF MASTER BATCHES
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 197/2017)

No. Misc/55/2011-II

11874

Dated: September 22, 2017

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

2. **Background of the valuation issue:** Customs values of Master Batches were earlier determined through Valuation Ruling No.786/2016, dated 01-01-2016. There was representation from commercial importer for determination of customs value of Master Batches a fresh. One commercial importer namely M/s Standard Enterprises Lahore claimed that the prices of Master Batch (Black Colour) are lower in the International markets than the customs value determined in the existing valuation ruling, which is over one and half year old, hence it is required to be revised in the light of honorable High Court of Sind, at Karachi's orders dated 10.11.2015 in Constitutional Petition No. D- 6918/2015. Since 90 days have passed and a representation was received from commercial importer regarding values determined in the valuation ruling dated 01.01.2016, hence an exercise was initiated to re-determine the values of subject items.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders and local manufactures were scheduled on 17.7.2017, 10.8.2017 and 21-08-2017, to discuss the current International prices of subject goods. The meetings were attended by the consultant of M/s Standard Enterprises Lahore and representatives from local manufacturers, M/s Clariant Pakistan, M/s Bin Rashid and M/s FAV Pakistan. During the meeting the consultant of commercial importer stated that their particular item, master batch black colour, may be deleted from the valuation ruling as its value is lower than the value notified in the existing valuation ruling. On the other hand the view point of local manufacturers was diagonally opposed to the commercial importers. The local manufacturer informed that the values of main constituent material i.e. plastic material (PE) and inorganic pigments (Carbon black pigment grade, titanium oxide etc) are showing upward trend in the international markets and requested to revise the values upward of master batches all grade.

The view point of all participants was heard in detail and considered to arrive at Customs value of Master Batches.

4. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs values of Master Batches. Transaction value method provided in Section 25 (1) was found inapplicable owing to wide variation in the values being declared to the customs. Identical / similar goods value methods



provided in Section 25 (5) & (6) 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 upon due to wide variation in declared values of subject goods. Thereafter, market enquiry as envisaged under section 25(7) of the Customs Act, 1969, was conducted. For the purpose, different markets were surveyed repeatedly. The computed value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs from constituent material at the country of export were not available. Online values of subject goods were also obtained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Master Batches have been determined under Section 25(9) of the Customs Act, 1969.

5. **Customs values of Master Batches:** Customs values of **Master Batches hereinafter** shall be assessed to duty / taxes at the customs values mentioned below: -

S.No	Description of Goods	HS CODE	Proposed PCT for WeBOC	Origin	Customs Values (C&F)US\$/KG
(1)	(2)	(3)	(4)	(5)	(6)
01	Master Batches (White Colour)	3206.4910	3206.4910.1000	All origins	2.97
02	Master Batches (Black Colour)	3206.4910	3206.4910.1100	All origins	2.29
03	Master Batches (All other Colours)	3206.4910	3206.4910.1200	All origins	4.36

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. Since this sector is wide and varied any product other than mentioned in ruling be either assessed by Clearance Collectorates under Section 25 of the Customs Act, 1969 or sent to Valuation Directorate under section 81 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 determined in this Ruling. 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.

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.

10. *This ruling supersedes Valuation Ruling No.786/2016, dated 01.01-2016.*


(Dr. Wasif Ali Memon)
Director

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 (Appraisalment), 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/ Faisalabad.
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.786/2016 dated 01.01.2016.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta& Peshawar.
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Review 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, Appraisalment, 1st Floor, Custom House, Karachi.
21. Guard File.