GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorate, Appraisement (East/West),
Port Qasim/Preventive, Karachi/Lahore (Appraisement/Preventive)/Sambrail (Sialkot)/
Faisalabad/Multan/Islamabad/Hyderabad/Quetta/Peshawar/Gawadar/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
DecaHydrate, Brown Aluminum Oxide, Sodium Acid Pyrophosphate, Dipentene,
Chloroform, Stearic Acid(single & triple pressed), Mono & Di Ethylene Glycol and
Perchloro Ethylene under Section 25-A of the Customs Act, 1969.

(VALUATION RULING NO/1040/2017)

No. Misc./29/2012-II (Part-B) 358
Dated: 13-02-2017

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

2. Background of the valuation issue: The custom values of the subject Chemicals
were earlier determined vide Valuation Ruling No. 938/2016 dated 26.9.2016. There were
several representations from different traders and trade bodies i.e. Pakistan Chemicals
and Dyes Merchants Association (PCDMA), for determination of customs value of the chemicals
a fresh. More over the importers have claimed that the prices of subject chemicals are
showing down ward trend in the International market hence existing valuation ruling,
which is over four months old is required to be revised in the light of honorable High Court of Sind,
days have passed and a number of representations were received from commercial importers
and Pakistan Chemicals and Dyes Merchants Association regarding values determined in
the valuation ruling dated 26.9.2016, hence an exercise was initiated to re-determine the values
of subject items.

3. Stakeholders' participation in determination of Customs values: Meeting with all
the stakeholders including importers, trade bodies i.e. Pakistan Chemicals and Dyes
Merchants Association (PCDMA) and representatives from clearance Collectorate, was held
on 07.02.2017 to discuss the current international prices of the subject chemicals. The view
point of all participants was heard in detail and considered to arrive at Customs value for
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
address the particular valuation issue at hand. The transaction value method as provided in
Sub-Section (1) of Section 25, found inapplicable in light of the wide variety of invoices
submitted at import stage the veracity of which could not be ascertained fully, hence requisite information required under law was not available to arrive at the correct transaction value. Identical / similar goods value method provided vide Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to determine Customs value of subject goods, this data provided some references, however, it was found that the same cannot be solely relied upon due to the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc., and also it was observed that importers usually provided misleading description while declaring goods, as other types and varieties of similar goods to avoid the application of valuation ruling. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969, however, it was found that the determination of Customs value could not be based solely upon this method either. Therefore, valuation method provided vide Section 25 (8) of Customs Act 1969, could not be applied as the conversion cost from constituent materials and allied expenses, at country of export were not available. Finally, Pral database, market information and international prices through Web were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject good. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive assessable customs values of the subject chemicals.

5. Customs values for Chemicals: The Chemicals, i.e. Boric acid, Aluminum Oxide, Chromic Acid, Barium Chloride, Sodium Meta Bisulphite, Sodium Hexa Meta Phosphate, Borax Decahydrate, Brown Aluminum Oxide, Sodium Acid Pyrophosphate, Dipentene, Chloroform, Stearic Acid(singles & triple pressed), Mono & Di Ethylene Glycol and Perchloro Ethylene hereinafter specified shall be assessed to duty / taxes at the following Customs Values:

<table>
<thead>
<tr>
<th>S. No</th>
<th>Description of goods</th>
<th>Origin</th>
<th>PCT</th>
<th>Proposed PCT for WEBOC</th>
<th>Customs Values (C&amp;F)</th>
<th>US$/Kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1)</td>
<td>BORIC ACID</td>
<td>All origins</td>
<td>2810.0020</td>
<td>2810.0020,1000</td>
<td>0.88</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>ALUMINIUM OXIDE (Ceramic Grade)</td>
<td>All origins</td>
<td>2818.2000</td>
<td>2818.2000,1000</td>
<td>0.72</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>ALUMINIUM OXIDE (excluding Ceramic Grade)</td>
<td>All origins</td>
<td>2818.2000</td>
<td>2818.2000,1100</td>
<td>1.10</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>CHROMIC ACID/ CHROMIUM TRIOXIDE (ALL GRADES)</td>
<td>N.America &amp; Europe</td>
<td>2819.1000</td>
<td>2819.1000,1000</td>
<td>3.10</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>All other origins</td>
<td>2819.1000</td>
<td>2819.1000,1100</td>
<td>2.50</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>BARIUM CHLORIDE</td>
<td>China</td>
<td>2827.3900</td>
<td>2827.3900,1000</td>
<td>0.48</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>SODIUM META BISULPHITE</td>
<td>China</td>
<td>2832.1090</td>
<td>2832.1090,1000</td>
<td>0.30</td>
<td></td>
</tr>
</tbody>
</table>
| S | Description                                      | Country     | HS Code 1 | HS Code 2 | HS Code 3 | Value
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>SODIUM HEXA META PHOSPHATE (40% &amp; below)</td>
<td>China</td>
<td>2832.1090</td>
<td>2832.1090.1100</td>
<td></td>
<td>0.73</td>
</tr>
<tr>
<td>8</td>
<td>SODIUM HEXA META PHOSPHATE (40.1% &amp; above)</td>
<td>China</td>
<td>2832.1090</td>
<td>2832.1090.1200</td>
<td></td>
<td>1.00</td>
</tr>
<tr>
<td>9</td>
<td>SODIUM HEXA META PHOSPHATE (Food Grade)</td>
<td>Thailand</td>
<td>2832.1090</td>
<td>2832.1090.1300</td>
<td></td>
<td>1.20</td>
</tr>
<tr>
<td>10</td>
<td>BORAX DECAHYDRATE</td>
<td>Turkey</td>
<td>2840.1900</td>
<td>2840.1900.1000</td>
<td></td>
<td>0.50</td>
</tr>
<tr>
<td></td>
<td></td>
<td>U.S.A</td>
<td>2840.1900</td>
<td>2840.1900.1100</td>
<td></td>
<td>0.525</td>
</tr>
<tr>
<td>11</td>
<td>BROWN ALUMINIUM OXIDE</td>
<td>China</td>
<td>2818.2000</td>
<td>2818.2000.1000</td>
<td></td>
<td>0.88</td>
</tr>
<tr>
<td>12</td>
<td>SODIUM ACID PYROPHOSPHATE (Food Grade)</td>
<td>China</td>
<td>2835.3900</td>
<td>2835.3900.1000</td>
<td></td>
<td>0.98</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Thailand</td>
<td>2835.3900</td>
<td>2835.3900.1100</td>
<td></td>
<td>1.05</td>
</tr>
<tr>
<td>13</td>
<td>DIPENTENE/ URINONENE LIMOMENE/TERPIDIENE</td>
<td>China</td>
<td>2902.1920</td>
<td>2902.1920.1000</td>
<td></td>
<td>1.44</td>
</tr>
<tr>
<td>14</td>
<td>CHLOROFORM (TRICHLOROMETHANE)</td>
<td>Russia/</td>
<td>2903.1300</td>
<td>2903.1300.1000</td>
<td></td>
<td>0.35</td>
</tr>
<tr>
<td></td>
<td></td>
<td>China</td>
<td>2903.1300</td>
<td>2903.1300.1100</td>
<td></td>
<td>0.32</td>
</tr>
<tr>
<td>15</td>
<td>STEARIC ACID (SINGLE PRESSED)</td>
<td>All origins</td>
<td>3823.1100</td>
<td>3823.1100.1000</td>
<td></td>
<td>0.85</td>
</tr>
<tr>
<td>16</td>
<td>STEARIC ACID (TRIPLE PRESSED)</td>
<td>All origins</td>
<td>3823.1100</td>
<td>3823.1100.1200</td>
<td></td>
<td>1.05</td>
</tr>
<tr>
<td>17</td>
<td>MONO ETHYLENE GLYCOL (MEG)</td>
<td>All origins</td>
<td>2905.3100</td>
<td>2905.3100.1000</td>
<td></td>
<td>1.04</td>
</tr>
<tr>
<td>18</td>
<td>DI-ETHYLENE GLYCOL (DEG)</td>
<td>All origins</td>
<td>2905.4100</td>
<td>2905.4100.1000</td>
<td></td>
<td>1.00</td>
</tr>
<tr>
<td>19</td>
<td>PERCHLORO ETHYLENE (TETRA CHLORO ETHYLENE)</td>
<td>All origins</td>
<td>2903.2300</td>
<td>2903.2300.1000</td>
<td></td>
<td>0.70</td>
</tr>
</tbody>
</table>

Note: The customs values determined of Mono Ethylene Glycol (MEG) and Di- Ethylene Glycol (DEG) above are for imports in drum packing.

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 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 request 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.938/2016 dated 26.9.2016.**

   (Dr. Wasi 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 (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, Manje-Darya Road, Lahore.
9. 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 Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No.938/2016 dated 26.9.2016.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
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, Appraisement, 1st Floor, Custom House, Karachi.

   (Dr. Wasi Ali Memon)
   Director