



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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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 CUSTOMS VALUES OF PP (POLYPROPYLENE) FLEXIBLE INTERMEDIATE BULK CONTAINER (FIBC) JUMBO BAGS AND BOPP LAMINATED PP WOVEN BAGS AND PP WOVEN BAGS UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1077 / 2017)

No. Mics/13/2015-IV

1077

Dated: 09- 03-2017

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Flexible Intermediate Bulk Container (FIBC) Jumbo Bags (of capacity 200 Kgs and above), BOPP Laminated Polypropylene (PP) Woven Bags and Polypropylene (PP) Woven Bags of various origins are determined as follows:

**2. Background of the valuation issue:** Consequent upon representation by local manufacturer M/s Grief Flexibles Pakistan (Pvt) ltd and importers like M/s SKM enterprises, Karachi who referred to M/s Sadia Jabbar case, for revision of Valuation Ruling No. 837/2016 dated 20-04-2016 after lapse of 90 days, an exercise was undertaken to re-determine the Customs Values of for Flexible Intermediate Bulk Container (FIBC) Jumbo Bags (of capacity 200 Kgs and above), BOPP Laminated PP Woven Bags and PP Woven Bags, in terms of Section 25-A of the Customs Act, 1969.

**3. Stakeholders' participation in determination of Customs values:** A meeting was held on 24-01-2017, with all the stakeholders including local manufacturers of subject goods and representatives of clearance Collectorate who participated in the meetings.

**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 was found inapt in light of the wide variety of manipulated/fabricated and fake invoices produced at import stage, 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 are 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 Flexible Intermediate Bulk Container (FIBC) Jumbo Bags (of capacity 200 Kgs and above), BOPP Laminated PP Woven Bags and PP Woven Bags.

5. **Customs values for Flexible Intermediate Bulk Container (FIBC) Jumbo Bags (of capacity 200 Kgs and above), BOPP Laminated PP Woven Bags and PP Woven Bags of various origins are hereinafterspecified** shall be assessed to duty / taxes at the following Customs Values :-

S. No.	Description of goods	PCT	Proposed PCT for WEBOC	Origin	Customs Values (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
01.	<b>Flexible Intermediate Bulk Container (FIBC) New Jumbo Bags (of capacity 200 Kgs and above)</b>	6305.3210	6305.3210.1000	India/China/Turkey /UAE, Saudi Arabia/Viet Nam	2.50
				Other Origins	2.70
02.	<b>Flexible Intermediate Bulk Container (FIBC) Used Jumbo Bags (of capacity 200 Kgs and above)</b>	6305.3210	6305.3210.1100	India/China/Turkey /UAE, Saudi Arabia/Viet Nam	1.00
				Other Origins	1.10
03.	<b>BOPP Laminated PP Woven Bags</b>	6305.3900	6305.3900.1200	India/China/Turkey /UAE	2.20
				Other Origins	2.30
04.	<b>Polypropylene (PP) Woven Bags/Mesh Bags/Leno Bags</b>	6305.3900	6305.3900.1300	India/China/Turkey /UAE	1.90
				Other Origins	2.00



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 (4) 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, 7<sup>th</sup> 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. 837/2016 dated 20-04-2016.***

  
(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), 1<sup>st</sup> 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. 837/2016 dated 20-04-2016