



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorates, Appraisement East / West/ Port Qasim / Preventive, Export (Karachi) / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ 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 /2017-II

Dated: 03-05-2017

(VALUATION RULING NO. 1146 /2017)

In exercise of the 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:** The customs values of Phenolic Resin, Polyurethane Resin, Melamine Resin, Alkyd Resin and Epoxide Resin is selected to determine the Customs values under section 25-A of Custom Act 1969 due to wide variation of declared and assessed values. Therefore to give level playing field to all importers, the Customs value of Phenolic Resin, Polyurethane Resin, Melamine Resin, Alkyd Resin and Epoxide Resin are selected for determination and uniform application across the board to all.
3. **Stakeholders' participation in determination of Customs values:** Meeting with all the stakeholders including importers and representatives from clearance Collectorates, was held on 29-03-2017 and 12-04-2017, to discuss the current international prices of the subject item, representations received from commercial importers which are also examined in the light of PRAL data, and international websites. The view point of all participants was heard in detail and considered to arrive at Customs value of Phenolic Resin, Polyurethane Resin, Melamine Resin, Alkyd Resin and Epoxide Resin.
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 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 items. 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 Phenolic Resin, Polyurethane Resin, Melamine Resin, Alkyd Resin and Epoxide Resin.

5. **Customs values for Phenolic Resin, Polyurethane Resin, Melamine Resin, Alkyd Resin and Epoxide Resin: 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 Code	Proposed PCT for WBOC	Customs Values (C&F) USS/KG
1.	Phenolic Resin	China/ Korea	3909.4000	3909.4000.1000	USS 2.45/kg
2.	Polyurethane Resin(Liquid form)	China	3909.5000	3909.5000.1000	USS 2.80/kg
3	Polyurethane Resin(Granules, Pellets form)	China	3909.5000	3909.5000.1100	USS 3.50/kg
4	Polyurethane Resin(pre-Polymer for Shoe Sole)	China	3909.5000	3909.5000.1200	USS 2.00/kg



5	Polyurethane Resin	Korea/ Malaysia/ Singapore	3909.5000	3909.5000.1300	US\$ 3.20/kg
6	Polyurethane Resin	Europe	3909.5000	3909.5000.1400	US\$ 3.93/kg
7	Melamine Resin	China	3909.2000	3909.2000.1000	US\$ 1.50/kg
8	Melamine Resin	Taiwan	3909.2000	3909.2000.1100	US\$ 1.80/kg
9	Alkyd Resin	Europe	3907.5000	3907.5000.1000	US\$ 26.00/kg
10	Epoxide Resin	China/ Taiwan	3907.3000	3907.3000.1000	US\$ 3.00/kg
11	Epoxide Resin	Korea/ U.A.E	3907.3000	3907.3000.1200	US\$ 3.25/kg
12	Epoxide Resin (Lapox C-17 and C-51)	India	3907.3000	3907.3000.1500	US\$ 3.50/kg

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 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 113-B 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.

(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 (Appraisal), 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 & We BOC data base system .
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, Appraisal, 1st Floor, Custom House, Karachi.
21. Guard File.

(Dr. Wasif Ali Memon)
Director