



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI

RULING U/S-25A NO. 449

No. Mies/12/2012-IV

Dated 29.03.2012

Note:

- i) The customs value determined under this Valuation Ruling shall be applicable until and unless revised or rescinded by the competent authority.
- ii) Review application against this Valuation Ruling may be filed before the Director-General of Customs Valuation under Section 25D of the Customs Act, 1969, within thirty (30) days from the date of determination of customs value under this ruling.

The Collector of Customs, MQC (Appraisement/PaCCS/Port Muhammad Bin Qasim/Preventive), Karachi/Lahore/Multan/Sambrial/Faisalabad/Peshawar/Islamabad/Hyderabad/Quetta.

SUBJECT: DETERMINATION OF CUSTOMS VALUE OF "COTTON FABRIC" OF CHINA ORIGIN, UNDER SECTION-25A OF THE CUSTOMS ACT, 1969.



A representation was received for the determination of values of Cotton Fabric imported from China, and its uniform application at various Customs stations. Accordingly, an exercise to determine Customs Value of imported Cotton Fabrics was undertaken.

2. Meeting with all stakeholders was convened on 05-03-2012, which was also attended by the officers of MCC Appraisement and MCC PaCCS Karachi. According to the representatives of the importers there were various steps in the manufacture of cotton fabrics and each step produced different category of cotton fabric of different quality and the same is sold in the market at different prices. In such a situation, according to them, there was no need of issuing of Valuation Ruling. It was pointed out by the participants that although the imported Cotton cloth has different categories and qualities, yet majority of cloth is of lower quality and the various categories of imported cotton fabrics might be verified from the local market for the determination of the Customs value. It was also observed that cloth is the major item which is prone to massive smuggling. Keeping in view the complicated nature of the matter, the officers of MCC, Appraisement and PaCCS as well as importers were

requested to come up with their in-house working on 22.03.2012. In the second meeting, held on 22.03.2012, the importers reiterated the same argument and requested not to issue any Valuation Ruling on the cotton fabric, except one importer, who was of opinion that atleast one benchmark value for the assessment of imported cotton fabric must be issued, so that it is applied across the board in whole of the country. During the meeting, both the aforementioned Collectorates submitted their proposals. The import data under section 25(5) and (6) of the Customs Act, 1969, was also consulted.

3. The proposals submitted by the Collectorates and the importers in the final meeting, were examined in the light of physical import data of cotton fabrics imported from China, and consequently the following values are determined in terms of Section 25 (5) and (6) of the Customs Act, 1969:-

| S. No 1 | H.S. Code 2 | Origin 3 | Description 4 | C & F Value 5 |
|------------|----------------|-------------|---------------------------------------|------------------|
| 1 | 52085100 | China | 100% Cotton Fabric (Printed/Plain) | US\$ 3.00/kg |
| 2 | | | 100% Cotton Fabric (Embroidered) | US\$ 3.50/kg |

4. The above value is hereby determined under Section 25A of the Customs Act, 1969. All the Collectorates are advised to finalize the assessment on the values mentioned above. However, if the invoice value is higher than the value given in this ruling, then such higher value shall be adopted for assessment purpose in terms of Section-25 of the Customs Act, 1969.

Muhammad Jahid
 (MUHAMMAD TAHIR)
 DIRECTOR

Distribution:-

1. S.O to Chairman, Federal Board of Revenue, Islamabad.
2. Member (Customs), Federal Board of Revenue, Islamabad.
3. Chief Collectors of Customs (North/South), Lahore/Karachi.
4. The Director General of Intelligence Investigation-FBR, Islamabad.
5. The Director General of Customs Valuation, Karachi.
6. The Director General of Post Clearance Audit, Karachi.
7. The Directors of Intelligence Investigation-FBR, Karachi/Lahore/Islamabad.
8. The Commissioner, IP Division, RTD-1, Coordinator, WeBOC, RMS-Development Team, Kamal Ata Dark Road, Income Tax Building, Karachi.
9. The Deputy Director (HQ) Directorate General of Customs Valuation, Karachi for uploading in One Customs & Pa CES database on the date of issue of this ruling.
10. Federation of Pakistan Chambers of Commerce & Industry, Karachi.
11. Karachi Chamber of Commerce & Industry, Karachi.
12. Karachi Customs Agents Group, Bohri Road, Karachi.
13. Guard File.