



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 SILICONE IN PRIMARY FORM UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 779/2015)

No.I/41/2015-II

Dated: December, 08, 2015

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Silicone in primary form are determined as follows: -

2. **Background of the valuation issue:** A reference was received from MCC- Appraisement (East) Custom House, Karachi, regarding determination of customs value of Silicone in primary form (H.S. Code: 3910.0000) under Section 25A of the Customs Act, 1969. The subject items having different grades were being assessed/cleared at different, albeit, under invoiced values. It has also been noticed that silicon in primary form is imported into Pakistan from different origins, mostly comprising release agents, anit-foam, softener of emulsion grade and in addition to above i.e. release agent, softener, anit-foam, Amino function products of fluid/oil grade. So broadly, it can be categorized in the two basic forms i.e. Emulsion grade and Fluid/Oil grade. In addition to above, since, Valuation Ruling of this item has been issued before and new Ruling is essential so as to avoid under invoicing. Accordingly, an exercise was initiated to determine the customs value of Silicone in primary form, with a view to reflect the current prices prevailing in the international markets.

3. **Stakeholders' participation in determination of Customs values:** A meeting was fixed with stakeholders on 18-11-2015, which was attended some commercial importers. They claimed that subject goods were mostly imported at the different values due to difference in their specification/grades. It was explained by the participant(s) that basically silicone in primary form was available in two grades viz., Emulsion grade and Oil grade. The emulsion grade had further been divided into release agents, anti foam agents and for softeners. Similarly, Oil grade silicones in primary form have specifications of amino function, release agent, anti foam agents and for softeners. They further added that goods were imported only for industrial purposes. The crux of the meeting was that the subject goods could be broadly classified in two major grades i.e. Emulsion grade and Oil grade for valuation purposes.

4. **Method adopted to determine Customs values:** After detailed discussion, valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at fair value of Silicone in primary form. Transaction value method provided in Section 25 (1) was found inapplicable due to different grades and non-availability of resources to verify the declared specifications. 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 up on due to wide variety in the material and absence of authentic sources. Thereafter, market enquiry as envisaged under Section 25 (7) of the Customs Act, 1969, could not available be conducted due to the subject goods being imported for industrial use and supplied to industry and not in open market. Computed Value Method as provided in Section 25 (8) could not be applied for valuation of the



forementioned goods as the cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25 (8) of the Act, in the country of export, could not be ascertained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the Customs values of Silicone emulsion in primary form have been determined under Section 25 (9) of the Customs Act, 1969.

5. **Customs values for Silicone in primary form:** Valuation Ruling of Silicone emulsion in primary form *hereinafter specified* are proposed as under: -

S.No	Description of goods	PCT Heading	Propose PCT for WeBOC	Origin	Customs Value (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	
1.	Silicone in primary form (Emulsion grade)	3910.0000	3910.0000.1000	All Origins	2.00
2.	Silicone in primary form (Fluid/Oil grade)		3910.0000.1100	All Origins	2.35

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.

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:** A revision petition may be filed against this Ruling, as provided 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.


(Manzoor Hussain 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.