



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

DETERMINATION OF CUSTOMS VALUES OF NATURAL RAW RUBBER
OF DIFFERENT GRADES UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 787/2016)

No.Misc/10/2010-III

17559

Dated : January, 01, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Natural Raw Rubber different grades are determined as follows:-

2. **Background of the valuation issue:** Customs values of Natural Raw Rubber "RSS" & "Crepe" were determined vide Valuation Ruling No.488/2012 dated 07.11.2012. The trade community were demanding revision in prices of this commodity owing to downward trend in its price in international market. Accordingly to ascertain the current prices prevailing in the international market, an exercise to determine the customs values of Natural Raw Rubber of different grades were under taken by this Directorate General.

3. **Stakeholder's participation in determination of Customs values:** Meetings with the stakeholders were held on 01-12-2015 & 29-12-2015. It was attended by commercial importers as well as local manufacturers of tyre industries. The participants were requested to submit the banking instrument through which the prices have been negotiated and finalized with the suppliers, import invoices showing its current trend in international market. In response they stated that they were not importing Natural Rubber grades mentioned in the Valuation Ruling in question as the value determined there was on higher side. They further stated that they have diverted their imports from other countries like Thailand and Indonesia which are not covered under the Valuation Ruling and the Rubber of grades ISNR, SLR etc. were presently being imported which are almost same to grades RSS, 1, 2 3, etc. but being not covered under the ruling were being assessed on the declared values. Keeping in view the position it was decided that all types of Natural Rubber and countries where from it is being imported should be covered in the new Valuation Ruling. It was also decided that the Rubber imported in blocks should be assessed at value US\$ 25/MT, higher than the value determined for the same grade.

To ascertain the correct value, the importers were requested to furnish Sales Tax Invoices showing the price on which they were selling it to its users. It was also informed them the purpose of asking for Sales Tax Invoice was to assist the Directorate to work-out the correct C&F value under work-back method. On this, they showed reluctance, however, two of them volunteered to submit the same within two days but subsequently they also did not turn up. Their this attitude indicates that they were not passing on the benefit of the downward trend in



difference in previous and current price of Rubber in international market which is neither legally nor ethically and morally justifiable, as the common man is suffering from price hike despite downward trend in prices of goods in international market and on the other hand importers only are reaping its benefit.

3. **Method adopted to determine customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were applied sequentially to address the valuation issue in hand. Transaction value method under Sub-Section (1) of Section 25 of the Act, 1969, was found inapplicable because required information under the law was not available due to multiple sources. Identical / similar goods value methods provided in Sub-Sections (5) & (6) of Section 25 *ibid* were examined for applicability to the valuation issue in the instant case which provided some reference value of the subject goods but the same could not be relied on due to the reason that the importers had switched over to other grades of similar use to avoid the Valuation Ruling. The information available was, therefore, not appropriate. Market enquiry as envisage under Section 25(7) of the Customs Act, 1969 could not be conducted as the imported items are of industrial use. The computed method as provided under Section 25(8) of the Customs Act, 1969 could not be applied as the conversion costs from constituent material at the country of export were not available. Finally, import data obtained from PRAL was analyzed and international prices from various sources on internet were also checked. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the customs values of Natural Raw Rubber of different grades have been determined under Section 25(9) of the Customs Act, 1969.

4. **Customs Values of Natural Raw Rubber of different grades :** Customs values of Natural Raw Rubber of different grades *hereinafter specified*, shall be assessed to duty/taxes on the Customs values mentioned against them in the Tables below :

TABLE "A" (GOODS OF SRILANKA ORIGIN)

S.No	Description of goods	PCT Heading	Proposed PCT for WeBoc	Customs Value (C&F) USS / Kg
(1)	(2)	(3)	(4)	(5)
Natural Raw Rubber Smoked Sheets				
01	Natural Raw Rubber RSS- 1,2 & 3 (ISNR-5/ISNR-10) SLR-5/ SLR-10 and equivalent TSNR grades	4001.2100 4001.2200 4001.2900	4001.2100.1000 4001.2200.1000 4001.2900.1000	1.90
02	Natural Raw Rubber RSS- 4 & 5 (ISNR-20/ISNR-50) SLR-10/ SLR-20 and equivalent TSNR grades	4001.2100 4001.2200 4001.2900	4001.2100.1100 4001.2200.1100 4001.2900.1100	1.84
03	Natural Raw Rubber RSS (other than above grades)	4001.2100 4001.2200 4001.2900	4001.2100.1200 4001.2200.1200 4001.2900.1200	1.69
Natural Raw Rubber Crepe				



04	Natural Raw Rubber TPC3 White SLR-3L and equivalent TSNR grades	4001.2100 4001.2200 4001.2900	4001.2100.1300 4001.2200.1300 4001.2900.1300	2.30
05	Natural Raw Rubber Crepe International No.3 (ISNR-5 & ISNR-3) SLR-5L and equivalent TSNR grades	4001.2100 4001.2200 4001.2900	4001.2100.1400 4001.2200.1400 4001.2900.1400	2.18
06	Natural Raw Rubber Crepe (other than above grades)	4001.2100 4001.2200 4001.2900	4001.2100.1500 4001.2200.1500 4001.2900.1500	2.07
07.	If the goods are imported in the shape of Blocks US\$25/PMT shall be added on the each above determined values.			

TABLE "B"
(GOODS OF VEITNAM ORIGIN)

S.No	Description of goods	PCT Heading	Proposed PCT for WeBoc	Customs Value (C&F) US\$ / Kg
(1)	(2)	(3)	(4)	(5)
Natural Raw Rubber Smoked Sheets				
01	Natural Raw Rubber RSS- 1,2 & 3 (ISNR-5/ISNR-10) SVR-5/ SVR-10 and equivalent TSNR grades	4001.2100 4001.2200 4001.2900	4001.2100.1600 4001.2200.1600 4001.2900.1600	1.50
02	Natural Raw Rubber RSS- 4 & 5 (ISNR-20/ISNR-50) SVR-10/ SVR-20 and equivalent TSNR grades	4001.2100 4001.2200 4001.2900	4001.2100.1700 4001.2200.1700 4001.2900.1700	1.42
03	Natural Raw Rubber RSS (other than above grades)	4001.2100 4001.2200 4001.2900	4001.2100.1800 4001.2200.1800 4001.2900.1800	1.35
Natural Raw Rubber Crepe				
04	Natural Raw Rubber TPC3 White SVR-3L and equivalent TSNR grades	4001.2100 4001.2200 4001.2900	4001.2100.1900 4001.2200.1900 4001.2900.1900	2.00
05	Natural Raw Rubber Crepe International No.3 (ISNR-5 & ISNR-3) SVR-5L and equivalent TSNR grades	4001.2100 4001.2200 4001.2900	4001.2100.2000 4001.2200.2000 4001.2900.2000	1.9
06	Natural Raw Rubber Crepe (other than above grades)	4001.2100 4001.2200 4001.2900	4001.2100.2100 4001.2200.2100 4001.2900.2100	1.8
07	If the goods are imported in the shape of Blocks US\$25/PMT shall be added on the each above determined values.			



TABLE "C"
(GOODS OF THAILAND & INDONESIA ORIGINS)

S.No	Description of goods	PCT Heading	Proposed PCT for WeBoc	Customs Value (C&F) US\$ / Kg
(1)	(2)	(3)	(4)	(5)
Natural Raw Rubber Smoked Sheets				
01	Natural Raw Rubber RSS- 1,2 & 3 (ISNR-5/ISNR-10) STR-5/ SIR-5, STR-10 / SIR-10 and equivalent TSNR grades	4001.2100 4001.2200 4001.2900	4001.2100.2200 4001.2200.2200 4001.2900.2200	1.80
02	Natural Raw Rubber RSS- 4 & 5 (ISNR-20/ISNR-50) STR-10/ SIR-10, STR-20/ SIR-20 and equivalent TSNR grades	4001.2100 4001.2200 4001.2900	4001.2100.2300 4001.2200.2300 4001.2900.2300	1.70
03	Natural Raw Rubber RSS (other than above grades)	4001.2100 4001.2200 4001.2900	4001.2100.2400 4001.2200.2400 4001.2900.2400	1.60
Natural Raw Rubber Crepe				
04	Natural Raw Rubber TPC3 White STR-3L/ SIR-3L and equivalent TSNR grades	4001.2100 4001.2200 4001.2900	4001.2100.2500 4001.2200.2500 4001.2900.2500	2.20
05	Natural Raw Rubber Crepe International No.3 (ISNR-5 & ISNR-3) STR-5L/ SIR-5L and equivalent TSNR grades	4001.2100 4001.2200 4001.2900	4001.2100.2600 4001.2200.2600 4001.2900.2600	2.09
06	Natural Raw Rubber Crepe (other than above grades)	4001.2100 4001.2200 4001.2900	4001.2100.2700 4001.2200.2700 4001.2900.2700	1.98
07	If the goods are imported in the shape of Blocks US\$25/PMT shall be added on the each above determined values.			

5. 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.
6. **Validity of 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.
7. **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, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

8. 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 for redressal.
9. *This Valuation Ruling supersedes Valuation Ruling No.488/2012 dated 7.11.2012 and its amendment dated 03.09.2015.*


(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.
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, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1st floor, PT&T Audit Building, Mauje-Darya Raod, Lahore.
9. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit, (Customs), Islamabad.
11. Director, Intelligence & Investigation, Karachi/Lahore/Islamabad/Quetta/Peshawar/Faisalabd.
12. Director, Customs Valuation (Camp Office), Custom House, Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading this Ruling in WeBOC and deleting the Valuation Ruling No.488/2012 dated 7.11.2012 and its amendment dated 03.09.2015.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chamber 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, Appraisalment, 1st floor, Custom House, Karachi.
21. Guard File.