



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 Customs Values of Metallic Yarn
Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 796/2016)

No.Misc/ 02 /2012-IV

Dated: January 18, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969. Customs values of Metallic Yarn are determined as follows: -

2. **Background of the valuation issue:** Several importers approached this Directorate General for revision of Valuation Ruling No.377/2011, dated 27-09-2011 of Metallic Yarn since it was more than 04 years old and the prices in the international market have declined. It was, therefore, deemed expedient to initiate working for subject item.

3. **Stakeholders' participation in determination of Customs values:** Meeting was scheduled on 15-01-2016 where different stakeholders, importers, trade bodies including APTMA and representatives of clearance Collectorates, were invited to participate. All participants were requested to submit the following:

- (i) Invoices of imports during last three months showing factual value
- (ii) Websites, names and email addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained
- (iii) Copies of contracts made/ LCs opened during the last three months showing the value of items in question,
- (iv) Copies of Sales Tax Invoices issued during last four months showing the difference in price(excluding duty and taxes) to substantiate that the benefit of the difference is price is passed on to the local buyers.

4. The stakeholder meeting was attended by the representatives of PYMA (Pakistan Yarn Merchants Association), local manufacturer M/S Brightex Industries, commercial importers and clearance Collectorates. Ms Lorex Industries, a leading manufacturer of metallic yarn, was also requested and later reminded telephonically to attend the same but they abstained from attending the meeting. The requisite documents were submitted by only one importer M/s. Saleem Winding Works, Karachi hence the same could not be deemed to be a representation of all commercial importers. The local manufacturer, M/s Brightex Industries argued that the customs values determined vide Valuation Ruling no 377/2011, dated 27-09-2011 were fair and reflective of international prices even at the present time and in support of their arguments submitted clearance data whereby importers have themselves declared prices of metallic yarn ranging from US\$ 5.2/kg to US\$ 6.0/kg. The representatives of yarn merchants argued that the prices of basic raw material, i.e., PET have considerably declined over the past few months, therefore, the value of metallic yarn should accordingly be reduced. Instead of furnishing any documentary evidence about downfall in prices of the metallic yarn in the international market, they relied upon their rhetoric of decline in international prices.



5. **Method adopted to determine Customs values:** After detailed deliberation, valuation methods stipulated in Section 25 of the Customs Act, 1969 were sequentially followed and thoroughly exhausted to arrive at fair value of Metallic Yarn. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available. Methods provided in Section 25(5) & (6) regarding Identical / Similar goods value were examined for applicability to the valuation issue in the instant case which provided reference values of the subject goods ranging from US\$ 5.2/kg- to US\$ 6.0/kg in several cases. Consequently, after due deliberations, the Customs values of Metallic Yarn have been determined under Section 25(5& 6) of the Customs Act, 1969.

6. **Customs values for Metallic Yarn :** Customs values for Metallic Yarn *hereinafter specified* shall be assessed at following Customs Values:-

S.No.	Description of goods	PCT Heading	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$/kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Metallic Yarn	5605.0000	5605.0000.1000	China	5.50

7. 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.

8. **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.

9. **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.

10. 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.

11. *This ruling supersedes Valuation Ruling No.377/2011, dated 27-09-2011.*


(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, 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.