



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI  
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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 AMMONIUM BICARBONATE UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 799/2016)

No. Misc/13 /2013-II

17889

Dated: 22 January, 2016

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

2. **Background of the valuation issue:** Customs values of Ammonium Bicarbonate were determined vide Valuation Ruling No.580/2013 dated 13-09-2013. The trade community was demanding revision in prices of Ammonium Bicarbonate, claiming decline in their price in international market. Accordingly to ascertain the current price prevailing in the international market, an exercise to determine the customs values of Ammonium Bicarbonate was under taken by this Directorate General.

3. **Stakeholder's participation in determination of Customs values:** Meeting with the stakeholders was held on 21-01-2016. It was attended by commercial importers as well as local manufacturers of chemical industries and office bearers/representatives of Pakistan Chemical Dyes Merchants Association (PCDMA) and the Chairman, Standing Committee on Customs Valuation, The FPCC&I, Karachi. Though the participants as well as the Association, namely, Pakistan Chemicals & Dyes Merchants Association, were requested to provide documents like Copies of contracts made/LC's, Sales Tax Invoices, to substantiate their contention of decrease in market prices, yet they did not provide required documents before the meeting. Again during the meeting the participants were requested to (i) submit Invoices of imports made during last three months showing factual value. (ii) Websites, names and E-mail addresses of known foreign manufacturers of the items 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 and (iv) Copies of Sales Tax Invoices issued during last four months showing the difference in prices to substantiate that the benefit of difference in price was passed on to the local buyers.

4. The importers were adamant not to submit any documents especially Sales Tax Invoices along with their monthly sales tax returns to ascertain truthfulness and accuracy of their contention regarding decline in prices in the international market. They were informed that it was upon them to prove their contention of decline in prices through documentary evidence. They were also told that maintenance of Sales Tax Invoices and monthly returns was mandatory under the Sales Tax Law on each taxpayer, therefore, they should not be hesitant to submit them to the Customs Department as the Customs has authority in terms of Sub-section (11) of Section 25 of the Customs Act, 1969, to call any documents to satisfy about the truthfulness of accuracy of any information or declaration made to Customs for Valuation purpose. Moreover, they were



informed that Sales Tax Invoices were authentic documents to show the price on which the goods are traded and a document for working out the actual C&F price with work-back method in case determination of value is done under Sub-Section (7) of Section 25 of the Customs Act, 1969. Since they were not forthcoming to furnish the complete documents including Sales Tax documents on one excuse or the other and the matter was lingering on, it, was decided to proceed on merit in the light of available record as well as local market inquiry conducted by the Department.

5. **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 it is generally known to all that most of the invoices are manipulated / fabricated locally, hence, total reliance thereon cannot be made to ascertain the correct transactional value. Identical / similar goods value methods provided in Sub-Sections (5) & (6) of Section 25 *ibid* were also not found applicable in view of the reason mentioned above in the case of Sub-Section (1). Market enquiry, as envisaged under Section 25(7) of the Customs Act, 1969, was conducted to determine Customs values for Chemicals of various types/brands/grades and origins, but could not be solely relied upon owing to variety of market/ location. 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 price from various sources on internet was also checked in addition to price worked back through market inquiry. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the customs value of Ammonium Bicarbonate has been determined under Section 25(9) of the Customs Act, 1969.

6. **Customs Values of Ammonium Bicarbonate :** Customs value of **Ammonium Bicarbonate hereinafter specified**, shall be assessed to duty/taxes on the Customs value mentioned against them in the Tables below : -

S.No.	Description of goods	PCT Heading	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/ Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Ammonium Bicarbonate	2836.9930	2836.9930.1000	China	0.21

7. In cases where declared / transaction values are higher than the Customs value determined in this Ruling, the assessing officers shall apply that value in terms of Sub-Section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, or by land route, the assessing officer shall take into account the differential between air freight or land route transportation charges and sea freight while applying the Customs values determined in this Ruling.
8. **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.
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, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> 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 for redressal.
11. *This Valuation Ruling supersedes Valuation Ruling No.580/2013, dated 13-09-2013.*

  
(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, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1st floor, PT&T Audit Building, Mauje-e-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/Faisalabad.
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.580/2013, dated 13-09-2013, from the system on the date of issuance of this ruling.
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, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7<sup>th</sup> floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi / MCC, Appraisal, 1<sup>st</sup> floor, Custom House, Karachi.
21. Guard File.