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

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

Determination of Customs Values of Synthetic Rubber “NBR” & “SBR” Under Section
25-A of the Customs Act, 1969

(VALUATION RULING NO.911-2016)

No. Misc/03/2013-III 9308  Dated: August 22nd, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969,
Customs values of Synthetic Rubber “NBR” & “SBR” are determined as follows :-

2. **Background of the valuation issue:** Customs value of Synthetic Rubber (NBR & SBR)
   were determined vide Valuation Ruling No.772/2015 dated 23.11.2015. The trade community
   has been demanding revision of prices of this commodity owing to downward trend in its prices
   in international market and in the light of orders of Honorable Sindh High Court in CP 6918
   dated 10.11.2015. Therefore, an exercise was undertaken to re-determine the customs value of
   the subject goods under Section 25A of the Customs Act, 1969.

3. **Stakeholders’ participation in determination of Customs values:** The Meeting held
   with stakeholders was attended by commercial importers as well as local manufacturers of Tyre
   Industries. Both commercial importers and manufacturers of Tyre Industries requested for
   downward revision keeping in view the decline in international prices of the commodity. All the
   participants were requested to provide relevant documents, test reports, literature, Sales Tax
   invoices and proposed workings in support of their contention. However no substantial evidence
   and relevant documents were submitted by the stakeholders to support their claim.

4. **Method adopted to determine Customs values:** Valuation methods provided under Section
   25 of the Customs Act, 1969 were followed to arrive at fair value of Synthetic Rubber (NBR &
   SBR). Transaction value method provided in Section 25 (1) was found inapplicable because the
   requisite information was not available. 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 on due to wide variation in the prices. Thereafter, market enquiry as envisaged under
   Section 25(7) of the Customs Act, 1969, was conducted but since the goods being industrial
   items, were not available in the open market therefore the market enquiry did not yield any
   result(s). The computed value method as provided in Section 25(8) of the Customs Act, 1969,
   could not be applied as the conversion costs from the constituent material in the country of
export were not available. Online values were also checked. Keeping in view all the factors and after carefully analyzing all the information obtained from different sources and input provided by the stakeholders during the meeting customs values of subject goods were determined under Section 25(9) of the Customs Act, 1969.

5. **Customs values for Synthetic Rubber (NBR & SBR):** Synthetic Rubber (NBR & SBR) hereinafter specified shall be assessed to duty/taxes at the following values:

<table>
<thead>
<tr>
<th>S.No</th>
<th>Description of goods</th>
<th>PCT Heading</th>
<th>Proposed PCT for WeBOC</th>
<th>Origin</th>
<th>Customs Value (C&amp;F) USS / Kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>Synthetic Rubber (SBR)</td>
<td>4002.1900</td>
<td>4002.1900.1000</td>
<td>Korea, India, China, Taiwan, Brazil, Indonesia, Thailand, UAE, Iran &amp; Russia</td>
<td>1.50</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4002.1900.1100</td>
<td>Other</td>
<td></td>
</tr>
<tr>
<td>02</td>
<td>Synthetic Rubber (NBR)</td>
<td>4002.5900</td>
<td>4002.5900.1000</td>
<td>Korea, China, Taiwan, Indonesia &amp; Thailand</td>
<td>1.75</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4002.5900.1100</td>
<td>Other</td>
<td>2.00</td>
</tr>
</tbody>
</table>

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 15 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 (1) or (3) 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 this Valuation 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. Customs values determined the ruling are for the description and specification as mentioned in the table above of this Ruling. HS Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue therein.

10. **This ruling supersedes Valuation Ruling No.772/2015, dated 23.11.2015.**

   (Dr. Wasif Ali Mehmood)
   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.
8. Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
9. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No.772/2015, dated 23.11.2015.
14. Chairman (Valuation Committee), FPCCI, Federation House, Clifton, Karachi.
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.