



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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

**Determination of Customs Values of Menthol Crystals Under Section 25-A of the Customs Act, 1969.**

No.Misc/06/2010-II

367

Dated: March 29, 2018

(VALUATION RULING NO. 1277/2018)

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

2. **Background of the Valuation Issue:** Earlier the customs values of the subject Menthol Crystals were determined vide Valuation Ruling No.650/2014 dated 26.03.2014 which was later re-determined vide Order-in-Revision No.234/2016 dated 18-08-2016. There were several representations from importers, wherein they contended that customs values determined in the existing Valuation Ruling are not reflective of prices in international markets and need to be re-determined accordingly. Keeping in view the above, this Directorate General initiated an exercise for determination of the Customs Values of the subject items in terms of Section 25-A of the Customs Act, 1969.

**Stakeholders participation in determination of Customs values:** Meeting with stakeholders including importers, representatives from Pakistan Chemicals and Dyes Merchants Association (PCDMA) and representatives from field formations was held on 08.02.2018, to discuss the current international prices of Menthol Crystals. All the stakeholders requested that the values determined vide said Valuation Ruling and Order-in-Revision may be reviewed in the light of prevailing international market prices. M/s. A.O Enterprises stated that they were importing synthetic menthol crystal smoke grade from Singapore and are being assessed under the category of, "all other origins" goods and customs value determined for all origin is much higher than the value for India and China origin goods. They further stated that smoke grade called DL Menthol Crystal is different from other grades of Menthol Crystals, however, they could not disclose the parameters to verify through physical or chemical analysis to distinguish between DL Menthol Crystal smoke grade and other grades of Menthol Crystals. In the meeting the Pakistan Chemicals and Dyes Merchants Association also showed their inability to provide such parameter to differentiate between afore said grades. M/s Asad Corporation and M/s Multi Link also requested for the downward revision of the said Valuation Ruling. They emphasized that the international prices of menthol crystals have no doubt slightly increased as compared to the prices of last year, but still they are lower than the values already determined vide the said Valuation Ruling and need to be reviewed downward. The view point of all participants was heard in detail and considered to arrive at the Customs values of Menthol Crystals.

4. **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to arrive at



customs values of menthol crystals. The transaction value method provided in Sub-Section (1) of Section 25, was found inapplicable because there was wide differences in the declarations. Identical / similar goods value method 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 values of the subject goods, but the same could not be exclusively relied on due to the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc., and also it was observed that some importers provided misleading description while declaring goods, as other grades and percentage of purity of similar goods to avoid the application of valuation ruling. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted market inquiries using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969. Consequently, the Customs values of Menthol Crystals have been determined under Section 25(7) of the Customs Act, 1969.

5. **Customs values for Menthol Crystals:** The Menthol Crystals *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values :

S. No	Description of goods	Origin	PCT	Proposed PCT for WEBOC	Customs Values (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Menthol Crystals (Pharmaceutical Grade)	China/ Singapore	2906.1100	2906.1100.1000	30.00
2		India	2906.1100	2906.1100.1100	29.00
3		Other Origins	2906.1100	2906.1100.1200	31.00
6	Menthol Crystals (All Other Grades)	China/ Singapore	2906.1100	2906.1100.1300	20.00
		India	2906.1100	2906.1100.1400	19.00
		Other Origins	2906.1100	2906.1100.1500	23.00

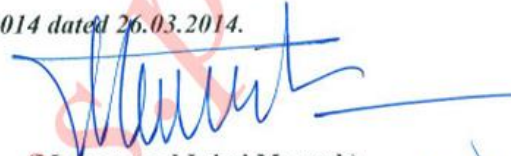
6. In cases where declared/ transaction values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Sub-Section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into account the differential between air freight and sea freight while applying the Customs values 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, 7<sup>th</sup> 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 this Directorate General immediately. Customs values determined in the ruling are for the descriptions and specifications as mentioned in this Valuation Ruling. HS Codes are mentioned for illustrative purposes 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 certifications 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. 650/2014 dated 26.03.2014.***

  
(Muhammad Iqbal Muneeb)  
Director 29/3/18

Copy for information to:

1. The Member (Customs), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Director General, Intelligence and Investigation-FBR, Islamabad.
8. The Director General, Audit (Customs & Petroleum), 1<sup>st</sup> Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. The Director General, Post Clearance Audit (PCA), Islamabad.
10. The Director General, Internal Audit (Customs), Karachi.
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Multan.
12. The 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. 650/2014 dated 26.03.2014 read with Order-in-Revision No.234/2016 dated 18-08-2016.
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & Peshawar.
16. Law Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Revision 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, Appraisalment, 1<sup>st</sup> Floor, Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading on FBR Website.
22. Guard File.