



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF 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) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

Determination of Customs values of Fleece Fabric Under  
Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1326 / 2018)

No. Misc/21/2013-IV / 1331

Dated: September 18<sup>th</sup>, 2018

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

2. **Background of the valuation issue:** Earlier Customs values of Fleece Fabric were determined vide Valuation Ruling No.683/2014 dated 11.09.2014. Several representations from commercial importers including Karachi Textile Lining and Coated Fabrics Association were received wherein they requested to revise the existing valuation ruling in accordance with the prices in the international markets. The existing valuation ruling is more than three and half year old therefore required to be revised in line with the prevailing prices in the international market. Keeping in view the prevailing prices in the international markets this Directorate General has initiated an exercise for determination of the Customs Values of the Fleece Fabric in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders including commercial importers and representatives of clearance Collectorates were scheduled on 14.02.2018, 24.05.2018, 02.7.2018 and 10.9.2018 to discuss the price trends of the subject good. The importers / stakeholders had been requested to submit the following documents before or during the course of stakeholders meetings so that customs values could be determined:

- i) Invoices of imports during last three months showing customs value.
- ii) Websites, names and E-mail 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 item in question.
- iv) Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

4. The Karachi Textile Lining and Coated Fabrics Association contended that the customs values of fleece fabric in existing valuation ruling are on higher side because it is based on



Fully Drawn Yarn (FDY) which is much cheaper item. The view point of the departmental representatives was diagonally opposed to the contention of importers. They contended that the Karachi Textile Lining and Coated Fabrics Association have not substantiated their submissions with corroborative documentary evidences requisited through notices for meetings of stake holders. They departmental representatives stated that the prices of basic raw material i.e. different type of yarns of polyester are showing upward trend in the international markets, therefore they contended that that the customs values determined in the existing valuation ruling are on lower side and required to be rationalize by revising upward in accordance with prices in international markets. The view point of all participants was heard in detail and considered to arrive at Customs value for subject goods.

5. **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 subject goods. The transaction value method as provided in Sub-Section (1) of Section 25 of the Customs Act, 1969 was found inapplicable due to wide variation of values displayed in the import data. Hence requisite information required under law was not available to arrive at the correct transaction value. Therefore, identical / similar goods value method as provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case but due to wide variations in declarations this method could not be relied upon exclusively. In line with the statutory sequential order of Section 25, this office conducted market inquiries under Sub-Section (7) of Section 25 of the Customs Act, 1969. As there were certain differences in prices in different markets therefore, a number of surveys were conducted to arrive at customs values. Finally reliance had to be made on Sub-Section (7) of Section 25 of the Customs Act, 1969 to determine customs values of Fleece Fabric were determined under Sub-Section (7) of Section 25 of the Customs Act, 1969.



6. **Customs values for Fleece Fabric:** Fleece Fabrics *as specified herein* shall be assessed to duty / taxes at the following Customs values:

S. No.	Description of Goods	H.S Code	Proposed PCT for WeBOC	Origin	Custom Values (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Polyester Polar Fleece Fabric (Plain)	6001.9290 6001.9990	6001.9290.1000 6001.9990.1000	China	3.40
2	Polyester Polar Fleece Fabric (Printed)	6001.9290 6001.9990	6001.9290.1100 6001.9990.1100	China	3.70
3	Sherpa Fleece Fabric	6001.9290 6001.9990	6001.9290.1200 6001.9990.1200	China	3.75
4	Polyester Tricot Fleece Fabric (Plain)	6001.9290 6001.9990	6001.9290.1300 6001.9990.1300	China	3.30

5	Polyester Fleece Fabric (Other type)	6001.9290 6001.9990	6001.9290.1400 6001.9990.1400	China	3.75
6	Cotton Fleece Fabric (plain/printed)	6001.9190	6001.9190.1000	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 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, 7<sup>th</sup> Floor, Custom House, Karachi.

10. 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.

11. *This ruling supersedes Valuation Ruling No. 683/2014, dated 11.09.2014.*

  
(Muhammad Iqbal Muneeb)  
Director

18/9/17

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 (Appraisal), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.