



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 / Port Qasim/ Preventive (Karachi)/Appraisement (Lahore)/ Preventive (Lahore)/ Sambrial (Sialkot)/ Faisalabad/Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar and Gilgit-Baltistan.

**Determination of Customs Values of Chemicals, Glycerin, Chlorinated Paraffin Wax (Liquid) and Calcium Carbide Under Section 25-A of the Customs Act, 1969**

No. Misc./06/2007-II

Dated: January 18, 2019

(VALUATION RULING NO. 1663 / 2019) <sup>1352</sup>

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Chemicals namely Glycerin, Chlorinated Paraffin Wax (Liquid) and Calcium Carbide are determined as follows:

2. **Background of the Valuation Issue:** Earlier the customs values of the subject chemicals were determined vide Valuation Ruling No. 1312/2018 dated 12.07.2018. There were several representations from importers, and industrial consumers wherein they contended that customs values determined in the existing valuation ruling are not reflective of prices in international markets. Keeping in view the prevailing prices of the subject goods, this Directorate General initiated an exercise for re-determination of the Customs Values of the subject Chemicals in terms of Section 25-A of the Customs Act, 1969.


3. **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 24.12.2018, to discuss the current international prices of the subject chemicals. All the stakeholders including PCDMA and M/s. Nimir Resins Limited requested that the prices of Glycerin has been reduced internationally, therefore, the said valuation ruling may be revised in the light of prevailing international market prices. Furthermore, Customs Values determined for Glycerin in the existing valuation ruling are for imports in drum packing whereas in case, the goods are imported in ISO tanks or flexi bags, they face difficulty during assessment. Therefore, they requested that margin of quantity and freight element may be allowed for imports in ISO tanks or flexi bags as has been allowed in several other valuation rulings. The stakeholders further emphasized that Ammonium Bi-Carbonate and Butyl Acrylate attract Custom duty at 3 per cent, and their transactions are always correct and verifiable, therefore, there is no need to include their prices in the Ruling. They suggested that valuation ruling on this item should be rescinded as duty structure is very low and there is hardly any incentive left for



indulging in non-compliance. The view point of all participants was heard in detail and considered to arrive at Customs values of the subject chemicals.

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 subject items. The transaction value method provided in Sub-Section (1) of Section 25, was found inapplicable because there were 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. 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 and determined customs values of Glycerin, Chlorinated Paraffin Wax (Liquid) and Calcium Carbide.

5. **Customs values for Chemicals namely** Glycerin, Chlorinated Paraffin Wax (Liquid) and Calcium Carbide *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) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Glycerin	All origins	2905.4500	2905.4500.1000	0.725
2	Chlorinated Paraffin Wax (Liquid) Chlorine content 62%	China/India	3824.9980	3824.9980.1000	0.65
3	Chlorinated Paraffin Wax (Liquid) All other grades	China/India	3824.9980	3824.9980.1100	0.90
		All origins	3824.9980	3824.9980.1200	1.00
4	Calcium carbide	China, Far East & Middle East	2849.1000	2849.1000.1000	0.75
5	<i>Note: The Customs Values of Glycerin determined above are for imports in drums packing. In case the Glycerin is imported in ISO tank/flexi bag, US\$ 75/ Metric Ton may be deducted for assessment purposes.</i>				

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.

