



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorate, Appraisement East / West / Port Muhammad Bin Qasim / Export (Karachi / Port Qasim) / JIAP, Karachi / Preventive, Karachi / Lahore (Appraisement / Preventive / AIIA) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta (Appraisement / Preventive) / Peshawar (Appraisement / Preventive) / Gawadar / Gilgit-Baltistan.

DETERMINATION OF CUSTOMS VALUES OF GUM BASE PCT (3824.9910) UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1435/2019)

No. Misc/10/2019-II/

12738

Dated:

13-12-2019

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Gum Base PCT (3284.9910) are determined as follows: -

2. **Background of the valuation issue.** This Directorate General examined clearance data of gum base falling under PCT 3824.9910 and observed variations in values declared at various customs stations despite having the same origin etc. Moreover, a number of representations were received in this Directorate General that the values of subject goods in international market are on higher side than the declared ones and, thus, necessitate fixation of values accordingly. Keeping in view the above facts, an exercise was initiated to determine the customs values of the subject goods under section 25A of the Customs Act 1969.

3. **Stakeholders' participation in determination of values:** Meeting with stakeholders was scheduled and held on 21-11-2019 which was attended by different stakeholders, the participants were requested to submit following documents before or during the course of meeting 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 the last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

4. **Method adopted to determine Customs values:** Custom Valuation methods given in Section 25 of the Customs Act, 1969 were applied in sequential order to address the valuation issue at hand. Transaction value method under Sub-Section (1) of Section 25 of the Act ibid was found inapplicable because requisite information under the law was not available. Moreover, sufficient documents were not provided by any of the participants in this regard. Identical and similar goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969 was then examine for applicability, and was found most appropriate for the purpose to determine the



values of subject goods. All the information together was evaluated and analyzed for the purpose of determination of customs values under Section 25(5) and 25 (6) of the Act *ibid*.

5. Customs values for Gum Base: Gum Base hereinafter specified shall be assessed to duty/taxes on the Customs values given against them in the Table below: -

Sr. No.	Description	H.S Code	Proposed PCT for WeBOC	Origin	Custom Value USS / Kg
(1)	(2)	(3)	(4)	(5)	(8)
1	Gum Base	3824.9910	3824.9910.1000	Belgium	1.69
2			3824.9910.1100	Brazil	1.42
3			3824.9910.1200	China	1.97
4			3824.9910.1300	European Union	2.31
5			3824.9910.1400	Turkey	1.43

6. In cases where declared/ Transaction values are higher than the Customs value determined in this Ruling, the assessing officer 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 determined in this Ruling.

7. Validity of this Valuation Ruling: The value 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. Review of the value determined vide this Valuation Ruling: A review 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, 7th Floor, Custom House, Karachi.

9. 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 with respect to PCT may kindly be brought to the notice of this Directorate General immediately.


(Shafique Ahmed Latki)
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 (Appraisement), Custom House, Karachi.