

The Collectors of Customs, Model Customs Collectorates, Appraisalment and Facilitation (East /West)/Port Muhammad Bin Qasim/JIAP, Karachi/ (Appraisalment & Facilitation/Enforcement and Compliance), AIIA Lahore/Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad /Quetta (Appraisalment/Preventive) Peshawar (Appraisalment & Facilitation /Enforcement and Compliance)/ Gwadar/Gilgit-Baltistan / Exports (Karachi / Port Qasim).

**DETERMINATION OF CUSTOMS VALUES OF PU/PVC COATED FABRIC,  
TEXTILE LINING MATERIAL FABRIC AND TEXTILE INVISIBLE COATED  
LINING MATERIAL FABRIC UNDER SECTION 25-A OF THE  
CUSTOMSACT,1969.**

**(VALUATION RULING NO. 1450/2020)**

C. No.Misc/ 6/2020-IV /3074

Dated: 04-06-2020

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of PU/PVC coated fabric, Textile Lining Material Fabric and Textile Invisible Coated Lining Material Fabric are determined as follows:

2. **Background of the valuation issue:** The Customs values of the PU/PVC coated fabric, textile lining material fabric and textile invisible coated lining material fabric were earlier determined vide Valuation Ruling Nos. 978/2016 dated 25-11-2016, 919/2016 dated 26-08-2016 and 1123/2017 dated 11-04-2017. The Valuation Rulings were old and values of fabric, both in international and local market, had shown varying trends. Moreover, the EDE data of Chinese Exports to Pakistan also indicated variations in values of Chinese exports values viz-a-viz Pakistani import values of fabrics. Therefore, an exercise was undertaken by this Directorate General to determine the values of subject goods, accordingly.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were conducted on 14-01-2020 and 06-02-2020. All the participants had been requested to submit the following documents.

- i. Invoices of imports during last three months showing factual value.
- ii. Websites, names and E-mail addresses of known foreign manufacturers of the items 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 items in question.
- iv. Copies of Sales Tax Invoices issued during last three months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

The participants submitted few documents which were examined. During meetings the variation in values of Chinese Exports viz-a-viz Pakistani imports as depicted in EDE data



were also discussed in detail. Most of the participants contented that the Chinese exporters show inflated values in their shipping bills to get benefits of higher rebate on such exports.

**4. Methods Adopted to Determine Customs Values:** Valuation methods provided in Section 25 of the Customs Act, 1969, were duly followed and applied sequentially to address the valuation issue at hand. The Transaction value method as provided in Sub-Section (1) of Section 25 was found inapplicable because no substantial evidential documents were provided by the stakeholders to prove that their declared values were true transactional values. Moreover, there were different declared values by different importers for some product. Identical/similar goods value methods provided in Section 25(5) & (6) *ibid* were examined for applicability to determine Customs Value of subject goods. The data provided some references, however, it was found that the same cannot be solely relied upon due to the absence of absolute demonstrable evidence of qualities and quantities of commercial level etc. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under sub-section (7) of the Section 25 of the Customs Act, 1969, however, it was found that the determination of Customs value could not be based solely upon this method either. Valuation method provided vide Section 25 (8) of the Customs Act, 1969, could not be applied as the conversion cost from the constituent materials and allied expenses, at country of export, were not available. Finally, PRAL database, EDE data of Chinese export, to Pakistan, market information and international prices through web were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject goods. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive at assessable customs Values of PU/PVC coated fabric, Textile Lining Material Fabric and Textile Invisible Coated Lining Material Fabric.

**5. Customs Values of PU/PVC Coated Fabric, Textile Lining Material Fabric and Textile Invisible Coated Lining Material Fabric:** PU/PVC coated fabric, textile lining material fabric and textile invisible coated lining material fabric of various origins *hereinafter specified*, shall be assessed to duty/taxes at the following minimum Customs values.

Sr. No	Description of Goods	P.C.T	Proposed PCT for WEBOC	Origin	Customs Values (C& F) US \$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
01	PVC Coated Fabric	5903.1000	5903.1000.1100	China/Taiwan	2.55
				Korea / Japan / Thailand & far East	2.70

