

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


DETERMINATION OF CUSTOMS VALUES OF NATURAL RAW RUBBER OF
DIFFERENT GRADES, SYNTHETIC RUBBER (NBR & SBR) & LATEX
CENTRIFUGED RUBBER 60% DRC
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. ¹⁴⁶⁹/2020)

C. No. Misc/10/2012-III / ⁵¹¹⁸

Dated:- ¹¹-09-2020

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Natural Raw Rubber of different grades, Synthetic Rubber (NBR&SBR) & Latex Centrifuged Rubber 60% DRC are determined as follows:



2. Background of the valuation issue: Earlier the customs values of Natural Raw Rubber of different grades, Synthetic Rubber (NBR&SBR) & Latex Centrifuged Rubber 60% DRC were determined under Section 25A of the Customs Act, 1969, vide Valuation Rulings 1092/2017 dated 18-03-2017, 1091/2017 dated 18-03-2017 & 1257/2018 dated 08-02-2018. However, representations were received from importers and manufactures for revision and rationalization of the existing Valuation Ruling in the light of prevailing values in the international market. Accordingly, an exercise was initiated to determine the values of said items under Section 25-A of the Customs Act, 1969.

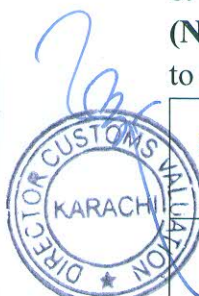
3. Stakeholders' participation in determination of Customs values: Meeting with the stakeholders was called on 18-11-2019. The stakeholders were requested to furnish the following documents before or during the course of above said meeting:

- i. Invoices of imports during last three months showing factual 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 documents.

4. The meeting was attended by the importers who were of the view that there is a huge decline/change in prices in the international market for rubber and the prices for the subject goods are on a downward trend. The importers submitted some documents in support of their claim which have been examined.

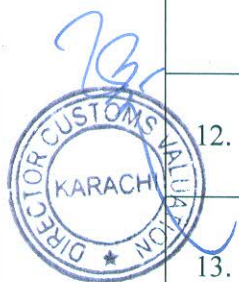
5. Methods Adopted to Determine Customs Values: Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to arrive at customs value of subject goods. The Transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969 was found inapplicable because no substantial documents were provided by the stakeholders to prove that declared values were true transactional values. Moreover, different values were declared by different importers for same product. Identical/similar goods value methods provided in Sections 25 (5) & (6) *ibid* were examined for applicability to determine customs values of subject goods. The data provided some references; however it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidence of qualities and quantities of commercial level etc. Information available hence found inappropriate. In line with statutory sequential order of section 25, this office conducted market inquiries under sub-section (7) of Section 25 of the Customs Act, 1969. But as the goods are industrial items and not sold as consumer items therefore sub-section (7) of Section 25 could also be not applied. Then, valuation method vide Section 25(8) of the Customs Act, 1969 was examined for valuation but the same also could not be applied as the conversion cost from raw material upto in the form of goods as imported, at the country of export were not available. Consequently, reliance was placed upon sub-section (9) of section 25 of the Customs Act, 1969 for the valuation of Natural Raw Rubber of different grades, Synthetic Rubber (NBR & SBR) & Latex Centrifuged Rubber 60% DRC.

6. Customs Values of Natural Raw Rubber of different grades, Synthetic Rubber (NBR & SBR) & Latex Centrifuged Rubber 60% DRC hereinafter specified, shall be assessed to duty and taxes at the following minimum Customs values: -



Sr. No	Description of goods	PCT Heading	PCT for WeBOC	Origin	Custom Values C&F (US\$/Kg)
1.	Natural Raw Rubber Smoked Sheets RSS-1, 2 & 3 (ISNR-5, ISNR-10), SLR-5/SLR-10, SVR-5/SVR-10,	4001.2100, 4001.2200, 4001.2900	4001.2100.1000, 4001.2200.1000, 4001.2900.1000	Sri Lanka, Vietnam, Thailand, Indonesia, Bangladesh, Myanmar & Cambodia	1.90
2.	STR-5/SIR-5, STR-10/SIR-10 and equivalent TSNR grades	4001.2100, 4001.2200, 4001.2900	4001.2100.1100, 4001.2200.1100, 4001.2900.1100	Other Origins	2.20
3.	Natural Raw Rubber Smoked Sheets RSS-4 & 5 (ISNR-20/ISNR-50), SLR-10/SLR-20, SVR-10, SVR-20,	4001.2100, 4001.2200, 4001.2900	4001.2100.1200, 4001.2200.1200, 4001.2900.1200	Sri Lanka, Vietnam, Thailand, Indonesia, Bangladesh, Myanmar & Cambodia	1.75
4.	STR-10/SIR-10, STR-20/SIR-20 and equivalent TSNR grades	4001.2100, 4001.2200, 4001.2900	4001.2100.1300, 4001.2200.1300, 4001.2900.1300	Other Origins	1.95

5.	Natural Raw Rubber Smoked Sheets RSS (other than above grades)	4001.2100, 4001.2200, 4001.2900	4001.2100.1400, 4001.2200.1400, 4001.2900.1400	Sri Lanka, Vietnam, Thailand, Indonesia, Bangladesh, Myanmar & Cambodia	1.65
6.		4001.2100, 4001.2200, 4001.2900	4001.2100.1500, 4001.2200.1500, 4001.2900.1500	Other Origins	1.90
7.	Natural Raw Rubber Crepe TPC3 White SLR-3L, SVR-3L, STR-3L/SIR-3L and equivalent TSNR grades	4001.2100, 4001.2200, 4001.2900	4001.2100.1600, 4001.2200.1600, 4001.2900.1600	Sri Lanka, Vietnam, Thailand, Indonesia, Bangladesh, Myanmar & Cambodia	1.90
8.		4001.2100, 4001.2200, 4001.2900	4001.2100.1700, 4001.2200.1700, 4001.2900.1700	Other Origins	2.20
9.	Natural Raw Rubber Crepe International No.3 (ISNR-5 & ISNR-3), SLR-5L, SVR-5L, STR-5L/SIR-5L and equivalent TSNR grades	4001.2100, 4001.2200, 4001.2900	4001.2100.1800, 4001.2200.1800, 4001.2900.1800	Sri Lanka, Vietnam, Thailand, Indonesia, Bangladesh, Myanmar & Cambodia	1.85
10.		4001.2100, 4001.2200, 4001.2900	4001.2100.1900, 4001.2200.1900, 4001.2900.1900	Other Origins	2.10
11.	Natural Raw Rubber Crepe (other than above grades)	4001.2100, 4001.2200, 4001.2900	4001.2100.2000, 4001.2200.2000, 4001.2900.2000	Sri Lanka, Vietnam, Thailand, Indonesia, Bangladesh, Myanmar & Cambodia	1.75
12.		4001.2100, 4001.2200, 4001.2900	4001.2100.2100, 4001.2200.2100, 4001.2900.2100	Other Origins	2.00
13.	Synthetic Rubber (SBR)	4002.1900	4002.1900.1000	Korea, India, China, Taiwan, Brazil, Indonesia, Thailand, UAE, Iran & Russia	1.75
14.		4002.1900	4002.1900.1100	Other Origins	1.93
15.	Synthetic Rubber (NBR)	4002.5900	4002.5900.1000	Korea, China, Taiwan, Indonesia & Thailand	2.15
16.		4002.5900	4002.5900.1100	Other Origins	2.40
17.	Natural Raw Rubber Latex Centrifuged 60% DRC - Imported in Flexi Bags	4001.1000	4001.1000.1000	Malaysia / Thailand	1.14
18.		4001.1000	4001.1000.1100	Vietnam	1.00
19.		4001.1000	4001.1000.1200	Sri Lanka	1.35
20.	Natural Raw Rubber Latex Centrifuged	4001.1000	4001.1000.1300	Malaysia / Thailand	1.24



21.	60% DRC - Imported in iron / steel drums	4001.1000	4001.1000.1400	Vietnam	1.10
22.		4001.1000	4001.1000.1500	Sri Lanka	1.45

Note: If goods mentioned at Serial No. 01 to 12 are imported in the shape of Blocks US \$25/PMT shall be added on the each above determined values.

7. In cases where declared / transaction values are higher than the Customs values determined in this Ruling or higher evidential data is available of stipulated period of 90 days, the assessing officer shall apply those values in terms of Sub-Section 25(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.

8. **Validity of Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs values 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, before the Director General, Directorate General of Customs Valuation, 7th 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 Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the above table of this Ruling. HS Codes are mentioned for illustrative purpose 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 certification 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 Rulings 1092/2017 dated 18-03-2017, 1091/2017 dated 18-03-2017 & 1257/2018 dated 08-02-2018.


(Shafique Ahmad Latki)
Director

Copy for information to:

1. The Member (Customs, Operations), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.

3. The Chief Collector of Customs, South (Appraisalment & Facilitation), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement & Compliance), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Chief Collector of Customs, (Enforcement & Compliance), Custom House, Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, PCA& Internal Audit, Karachi.
10. The Director General, IOCO, Karachi
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
12. The Director, Directorate of Customs Valuation, Lahore.
13. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. The Karachi Customs Agents Group, Bohri Road, Karachi.
17. The Webmaster, Federal Board of Revenue, Islamabad.
18. Guard File.