



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

Determination of Customs Values of Nylon Yarn Under Section 25-A of Customs Act, 1969

(VALUATION RULING NO. 1473 / 2020)

No. Misc/03/2018-IV/

5142

Dated: 18-09-2020

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

2. **Background of the Valuation Issue:** Customs values of the aforementioned items were earlier determined through Valuation Ruling No. 1432/2019 dated 03-12-2019. A representation was received from Pakistan Yarn Manufacture Association (Pakistan), wherein they contended that value of subject item needs to be aligned with trends in international values. Keeping in the view the prevailing prices of the subject goods, this Directorate General initiated an exercise for determination of the Customs Values of the Nylon Yarn in terms of Section 25-A of the Customs Act, 1969.



Stakeholders' Participation in Determination of Customs Values: Meeting for the determination of customs values of the Nylon Yarn was scheduled on 28-07-2020. The stakeholders were requested to provide the following documents:-


- a) Invoices of importers during last three months.
- b) Website, names and E-mail addresses of known foreign suppliers of the item in question through which the actual current values can be ascertained.
- c) Copies of Contracts made/LCs opened during the last three months.
- d) Copies of Sales Tax Invoices issued during last four months.

The meeting was attended by the office bearers of Pakistan Yarn Merchants Association (PYMA), Karachi. The point of view of the participants was heard in detail and considered to arrive at customs values of the subject good. The PYMA proposed values of different types of Nylon Yarns prevalent in international values and have been obtained from CCFEI website. Documents in support of the proposed values were also submitted by the Association as well as other participants.

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 goods. The transaction value method as provided in Sub-Section (1) of

Section 25 of the Customs Act, 1969, was found inapplicable because requisite information was not available as per law. The wide variation of values displayed in the import data as available on record also strengthened the aforementioned fact. Hence requisite information required under law was not available to arrive at the 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. The same provided some reference values but could not be exclusively and solely relied upon. In line with the statutory sequential order of Section 25, this office conducted market inquiries using Deductive Value Method under Sub-Section (7) of Section 25 of the Customs Act, 1969. Wide ranges of prices were observed for some items which depend upon variety/quality /counts etc. and location of the market. Hence, this method of valuation could not be exclusively relied upon due to the aforesaid reasons. Thereafter, Sub-Section (8) was examined but valuation under this sub-section also could not be made due to non availability of conversion and processing cost of the exporting country. Finally, reliance had to be made on Sub-Section (9) of Section 25 of the Customs Act, 1969. All information gathered above was utilized, evaluated and analyzed for purpose of determination of customs values. Consequently, customs values of different types of Nylon Yarn have been determined under section 25 (9) of the Customs Act, 1969.

5. **Customs values for Nylon Yarn:** Nylon Yarn thereof *hereinafter* specified shall be assessed to duty / taxes at the following minimum Customs Values:-



	Description of Goods	Denier Range	P.C.T	Proposed PCT for WEOC	Origin	Customs Values (C & F) US \$/Kg
(1)	(2)	(3)	(4)	(5)	(6)	(7)
01	Nylon Textured Stretch Yarn 70/24/1 Raw White	66 to 200	5402.3100 5402.3200	5402.3100.1000 5402.3200.1000	China / Taiwan	2.15
02	Nylon Textured Stretch Yarn 70/24/2 Raw White	66 to 200	5402.3100 5402.3200	5402.3100.1000 5402.3200.1000	China / Taiwan	2.10
03	Nylon Textured Stretch Yarn 70/24/2 Black	66 to 200	5402.3100 5402.3200	5402.3100.1000 5402.3200.1000	China / Taiwan	2.40
04	Nylon Textured Stretch Yarn 70/24/2 Dyed Colors	66 to 200	5402.3100 5402.3200	5402.3100.1000 5402.3200.1000	China / Taiwan	2.80
5	Nylon Filament Yarn 40/12 Bright	35 to 65	5402.4500	5402.4500.1000	China / Taiwan	2.15
6	Nylon Filament Yarn 70/24 Bright	66 to 200	5402.4500	5402.4500.1100	China / Taiwan	1.90
7	Nylon Filament Yarn 210/24 Bright	201 to 250	5402.4500	5402.4500.1200	China / Taiwan	1.90
8	Nylon Mono-Filament Yarn 20/1	15 to 25	5402.4500	5402.4500.1300	China / Taiwan	2.80
9	Nylon Mono-Filament Yarn 30/1	26 to 38	5402.4500	5402.4500.1400	China / Taiwan	2.40

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, and the same may be communicated to this Directorate General forthwith. 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 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.

8. **Revision of the Value Determined vide this Valuation Ruling:** This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, 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, 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 may kindly be brought to the notice of Directorate General immediately. The Customs values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein, HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling requisite formalities relating to importability or 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 of the Customs Act, 1969 or any other law in vogue therein.

10. *This ruling supersedes Valuation Ruling No.1432/2019 dated 03.12.2019.*


(Shafique Ahmad Latki)
Director

Copy for information to: -

1. The Member (Customs-Operations), Federal Board of Revenue, Islamabad.
2. The Director General, Directorate General Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.

4. The Chief Collector of Customs, South (Enforcement), 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, Custom House, Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, Post Clearance Audit (PCA) & Internal Audit, Karachi.
10. The Director General, Transit & Trade, Custom House, Karachi.
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad / Gwadar.
12. The Director, Transit & Trade, Custom House, Karachi.
13. The Director, Directorate General of Customs, Valuation Custom House, Lahore.
14. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
15. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
16. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
17. The Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. The Karachi Customs Agents Group, Bohri Road, Karachi.
19. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi.
20. The Webmaster, Federal Board of Revenue, Islamabad.