



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE, KARACHI

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 Chemicals , Boric Acid, Aluminium Oxide, Chromic Acid, Barium Chloride, Sodium Meta Bi Sulphite, Sodium Hexa Meta Phosphate, Borax Decahydrate, Brown Aluminium Oxide, Sodium Acid Pyrophosphate, Dipentene, Chloroform, Stearic Acid (Single & Triple pressed) , Mono & Di Ethylene Glycol and Perchloro Ethylene Under Section 25-A of the Customs Act, 1969**

**(VALUATION RULING NO. 1480 / 2020)**

C. No. Misc/29/2012-II/ 5288.

Dated: 22-10-2020

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Chemicals, Boric Acid, Aluminum Oxide, Chromic Acid, Barium Chloride, Sodium Meta Bi Sulphate, Sodium Hexa Meta Phosphate, Borax Decahydrate, Brown Aluminum Oxide, Sodium Acid Pyrophosphate, Dipentene, Chloroform, Stearic Acid (Single & Triple pressed), Mono & Di Ethylene Glycol and Perchloro Ethylene are determined as follows: -

2. **Background of the valuation issue:** Earlier the customs values of subject Chemicals were determined under Section 25-A of the Customs Act, 1969 vide Valuation Ruling No.1311/2018 dated 12-07-2018. Representations were received from Pakistan Chemicals & Dyes Merchants Association, Federation of Pakistan Chambers of Commerce & Industry as well as other stakeholders stating therein that the international prices of the subject goods have decreased substantially. It was accordingly required to issue fresh valuation ruling as per prevailing international market prices to save cost of doing business. Therefore, an exercise was undertaken by the Directorate General of Customs Valuation to determine the Customs Values of subject goods in terms of Section 25-A of Customs Act, 1969.

3. **Stakeholders' participation in determination of values:** Meeting was scheduled and held on 06-08-2020 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.

During the meeting, the importers/ stakeholders stated that due to ongoing corona virus pandemic, the prices of Crude Oil and its Derivatives (other Petroleum products) have shown continuous downward trend. This trend has affected the values of different chemicals, but to the presence of two year old Valuation Ruling, their goods are being assessed in Valuation Ruling resulting in huge losses to business. The documents submitted by importers were examined and considered for the determination of customs values of subject goods.

**4. Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were duly applied in their sequential order to arrive at customs values of subject goods. The transaction value method under 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 variations 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 methods as provided in Sub-Sections (5) and (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 under sub-Section (7) of section 25 of the Customs Act, 1969, however, this method of valuation could not be exclusively relied upon due to reason that these were industrial use items and not readily available in the local market. Therefore, valuation method vide Section 25(8) was examined for valuation but the same also could not be applied as conversion cost from the constituent material and allied expenses, at the country of export were not available for manufacturing of the subject goods. Finally, clearance data, market information and international prices through internet were examined thoroughly and the information so gathered were utilized and analyzed for determination of customs values of the subject goods under Section 25 (9) of the Customs Act, 1969

**5. Customs values for Chemicals:** Chemicals, Boric Acid, Aluminum Oxide, Chromic Acid, Barium Chloride, Sodium Meta Bi Sulphate, Sodium Hexa Meta Phosphate, Borax Decahydrate, Brown Aluminum Oxide, Sodium Acid Pyrophosphate, Dipentene, Chloroform, Stearic Acid (Single & Triple pressed), Mono & Di Ethylene Glycol and Perchloro Ethylene hereinafter specified shall be assessed to duty/ taxes on the minimum Custom values given against them in the Table below: -

Sr. No.	Description of goods/ items:	VR Origins	H.S.Code	Proposed PCT for WBOC	Customs Values (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Boric Acid	USA/Chile/ Argentina	2810.0020	2810.0020.1000	0.75
		Turkey/ Taiwan/ Russia & other origins	2810.0020	2810.0020.1100	0.75

