



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) US\$/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

2	Aluminum Oxide (Ceramic Grade)	All origins	2818.2000	2818.2000.1000	0.80
3	Aluminum Oxide (Excluding Ceramic Grade)	All origins	2818.2000	2818.2000.1100	1.05
4	Brown Aluminum Oxide	China	2818.2000	2818.2000.1200	0.88
5	Chromic Acid/ Chromium Trioxide (all grades)	N. America & Europe	2819.1000	2819.1000.1000	3.00
		All other origins	2819.1000	2819.1000.1100	2.50
6	Stearic Acid (Single Pressed)	All origins	2819.1000	2819.1000.1200	0.80
7	Stearic Acid (Triple Pressed)	China	3823.1100	3823.1100.1000	1.05
		Malaysia	3823.1100	3823.1100.1100	0.90
8	Barium Chloride	China	2827.1900	2827.1900.1000	0.74
9	Sodium Meta Bi Sulphite	China	2832.1090	2832.1090.1000	0.29
10	Sodium Hexa Meta Phosphate (40% & below)	China	2832.1090	2832.1090.1100	1.00
11	Sodium Hexa Meta Phosphate (40% & above)	China	2832.1090	2832.1090.1200	1.00
12	Sodium Hexa Meta Phosphate (Food Grade)	China	2832.1090	2832.1090.1300	1.20
13	Sodium Acid Pyrophosphate (Food Grade)	China	2835.3900	2835.3900.1000	1.03
14	Sodium Acid Pyrophosphate (Food Grade)	Thailand	2835.3900	2835.3900.1100	1.10
15	Borax DecaHydrate	Turkey/Argentina	2840.1900	2840.1900.1000	0.465
		USA	2840.1900	2840.1900.1100	0.525
16	Dipentene /Urinonene Limomene / Terpodience	China	2902.1920	2902.1920.1000	1.60
17	Chloroform (Trichloromethane)	Russia / China	2903.1300	2903.1300.1000	0.35
		All other origins	2903.1300	2903.1300.1100	0.35
18	Perchloro Ethylene (Tetra Chloro Ethylene)	All origins	2903.2300	2903.2300.1000	0.56
19	Mono Ethylene Glycol (MEG)	All origins	2905.3100	2905.3100.1000	0.70
20	Di Ethylene Glycol (DEG)	All origins	2905.4100	2905.4100.1000	0.70
21	Note: The Customs Values of Mono Ethylene Glycol (MEG) and Di Ethylene Glycol (DEG) determined above are for imports in drum packing, in case of the goods are imported in bulk packing US\$ 75/PMT may be deducted on the aforementioned values for assessment purpose.				

6. 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.

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 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 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 the Valuation Ruling No. 1311/2018 dated 12-07-2018.


(Shafique Ahmed 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.