



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 SODA ASH PCT (2836.2000)
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1495 / 2020)

C. No. Reg.Misc/06/2009-II / 15481

Dated: 04-12-2020

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

2. **Background of the Valuation Issue:** Earlier the customs values of Soda Ash were determined vide Valuation Ruling No. 1477/2020 dated 08-10-2020. The said Ruling was challenged under section 25-D of the Customs Act, 1969 before the Director General Customs Valuation who set aside the same vide Order-in-Revision No. 31/2020 dated 16-10-2020 and remanded back to the Director Customs Valuation, Karachi to determine the customs values of the subject goods afresh, and to give M/s ICI Pakistan and other stakeholders a fair opportunity of hearing. Therefore, this Directorate General initiated an exercise for determination of the Customs Values of the Soda Ash in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders participation in determination of Customs values:** Meeting dated 29-10-2020 was held which was attended by different stakeholders including M/s ICI Pakistan. 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 M/s ICI Pakistan contended that the prices of Soda Ash published in IHS Markit (Global Soda Ash monthly) should be considered for determination of customs value of the same after addition of freight charges. M/s. ICI Pakistan also produced copy of said publication showing prices of Soda Ash per metric ton of different origins. The other participants submitted documentary evidences like copies of GDs, invoices and L/Cs as demanded by the Directorate General.

There was unanimous agreement between the participants that the prices mentioned in the publication should be considered for assessment purpose after adding amount paid as freight.

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 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 wide variations of values were displayed in the import data. Therefore, identical / similar goods value method as 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 relied upon exclusively. 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 could not be exclusively relied upon because soda Ash is an industrial use item 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 Soda Ash. Finally, clearance data, market information and international prices through internet were examined thoroughly and the information so gathered were utilized and analyzed

