GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE, KARACHI
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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 Peshawar /Gwadar /Gilgit-Baltistan / Exports (Karachi / Port Qasim) / Transit Trade (Karachi).

DETERMINATION OF CUSTOMS VALUES OF FISHING NET UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO 1504/2020)

No.V.Khi/12/FN/25-A/III /5539. Dated: 28 -12 -2020

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

2. **Background of the valuation issue:** After conducting detailed analysis of Pakistan's imports for the year 2019-20, the Directorate General of Customs Valuation, Karachi, was tasked by FBR to identify the items / goods where variations w.r.t. values in exporting countries viz-a-viz import values in Pakistan were observed. Accordingly, a special team was constituted in Directorate General of Customs Valuation, Karachi, which identified the subject items as prone to under-invoicing as vast variations in declarations were observed. Accordingly, an exercise was initiated to determine the customs values of **fishing net** under Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings with all stakeholders, trade bodies including representatives of clearance Collectorates were held in this Directorate General on 13-11-2020 and 26-11-2020. The importers/stakeholders were requested to submit their proposals/suggestions as well as following documents before or during the course of stakeholders' meeting so that Customs values could be determined:

i. Invoices of import during last three months showing factual values
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 that the benefit of difference in price is passed on to the local buyers.

4. The meeting was attended by importers and stakeholders and their point of view were heard in detail to arrive at custom values of subject goods. The stakeholders claimed that their declared values were true transactional values and may be accepted as such. However, they failed to substantiate the said claim through documentary evidences.

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 their declared values were true transactional values. Moreover, different values were declared by different importers for same product according to different origins. 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; but due to wide variations in declaration, variety and specifications the same could not be relied upon exclusively. In line with statutory sequential order of section 25, this office conducted various market inquiries under sub-section (7) of Section 25 of the Customs Act, 1969. Finally, reliance had to be made on sub-section (7) of Section 25 of the Customs Act, 1969, to determine custom values of Fishing Net.

6. **Customs values for Fishing Net -hereinafter** specified shall be assessed to duty/taxes on the following minimum customs values given against them in the Table below:-

S.No	Description	Origin	PCT	Proposed PCT for WeBOC	Customs Values C& F (US$/KG)
(1)	(2)	(3)	(4)	(5)	(6)
1	Polyester/ Nylon (Fishing net all sorts)	All Origins	5608.1100	5608.1100.1000	2.35
2	HDPE (Fishing net all sorts)	All Origins	5608.1100	5608.1100.1100	2.10

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 90 days, 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 consignment imported by air, the assessing officer shall take into account the difference 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.

(Shafique Ahmad Latki)
Director

Copy for information to: -

1) The Member Customs (Policy/Operations), F.B.R., Islamabad.
2) The Director General, Customs Valuation, Custom House, Karachi.
3) The Chief Collector of Customs, South (Appraisement), 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, (Enforcement), 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 Director General, Transit Trade, Custom House Karachi
12) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
13) The Director, Transit Trade, Custom House Karachi
14) The Director, Directorate of Customs Valuation, Lahore.
15) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs &WeBOC database system.
16) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
17) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta &Peshawar.
18) The Karachi Customs Agents Group, Bohri Road, Karachi.
19) The Webmaster, Federal Board of Revenue, Islamabad.
20) Guard File.