



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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

DETERMINATION OF CUSTOMS VALUES OF METALLIC YARN
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1513/2021)

No. Misc/02/2010-IV/84.

Dated: 09 -02-2021

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

2. **Background of the valuation issue:** The Customs values of Metallic Yarn were earlier determined under Section 25-A of the Customs Act, 1969, vide Valuation Ruling No.964/2016 dated 11-11-2016. The said valuation ruling was more than four years old and values of subject goods both in international and local markets have been showing varying trends. Numerous representations were also received for revision of customs values of the subject item. Therefore, an exercise was undertaken by this Directorate General to re-determine the customs values as per current prices in international/local markets.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders and M/s Pakistan Yarn Merchants Association were held on 13-10-2020 and 16-12-2020. The manufacturers of this commodity M/s Lorex Industries, Karachi, M/s Bright Industry, Karachi and M/s Brightex Industries (Pvt.) Ltd. Peshawar were also invited for meetings to get their input in this regard but all these manufacturers did not attend any meeting. However, the written submissions of M/s Brightex Industries Pvt. Ltd. and other manufacturers received in this office vide their letters dated 15-12-2020 which were examined thoroughly especially the contention regarding import of this item from India which has been banned by the Government since 06-08-2019.

The participants attended the meetings and put forth their points of view regarding types, origins, values, cost of manufacturing and other factors which influence the values and trade. All the participants were requested to submit the following documents:

- i. Copies of invoices of imports (including GDs, ER, PL, BL, & all related imported documents each GD-wise) during last one year showing factual values.
- ii. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current values can be ascertained.



- iii. Copies of Contracts made / LCs opened during the last one year showing the value of item in question, each GD-wise.
- iv. Copies of Sales Tax Invoices issued during last one year 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, each GD-wise.
- v. Latest price catalogue issued from manufacturer, if any.
- vi. Manufacturer's discount schedule if any.
- vii. Copies of export GDs of manufacturer, if any.

The importers contended that due to Covid, the values in international market have shown slight downward trend. Their main contention was regarding higher values of "other" origin. It was contended that more than 97% of import during FY 2019-20 was from China, UAE & India with values ranging from US\$ 4/kg to US\$ 4.20/kg whereas for "other" origin, the values are US\$ 7/kg i.e., 75% higher. With ban on import from India, the importers are now forced to buy goods, only from China or UAE as valuation ruling prescribes almost 75% higher values for other origins which never happens in any business. The contention of importers as well as complaint regarding imports of Indian origin Yarn from transit ports like Dubai was examined and considered for the purpose of determination of customs values of subject goods.



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 due to wide variation of values in the import data. Moreover, importers / stakeholders attended the meetings but did not submit any substantial documentary evidences to prove that their declared values were true transactional value. Hence, requisite information under law was not available to arrive at correct transaction value. Therefore, identical / similar goods value methods as provided in sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case but due to wide variations in declarations, variety and specifications, these methods could not be relied upon exclusively. Thereafter, in line with the statutory sequential order of Section 25, this office conducted a number of inquiries from various markets to arrive at Customs values under sub-Section (7) of Section 25 of the Customs Act, 1969. The prices of different types of Metallic Yarn in the market varied significantly and were heavily dependent on quality of the metallic yarn and the location of the selling points or shops in the city. Online values were also checked. The Computed Value method as provided in Section 25(8) of the Customs Act, 1969, could not be applied as the conversion costs of manufacturing of subject item at the country of export were not available. All the information so gathered was then analyzed for determination of Customs values of subject goods. Consequently, Fall Back method as provided under Section 25(9) of the Customs Act, 1969 was applied to arrive at assessable Customs values of Metallic Yarn have been determined under Section 25(9) of the Customs Act, 1969.

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

S.No	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$/KG
(1)	(2)	(3)	(4)	(5)	(6)
1.	Aluminum Metalized Metallic Yarn (All Colors) M-Type	5605.0000	5605.0000.1000	China	4.00
			5605.0000.1100	UAE	5.45
			5605.0000.1200	Japan	6.00
			5605.0000.1300	Others	5.05
2.	Aluminum Metalized Metallic Yarn (All Colors) ST/ MX/ MS-Types	5605.0000	5605.0000.1400	China	4.20
			5605.0000.1500	UAE	5.65
			5605.0000.1600	Japan	6.15
			5605.0000.1700	Others	5.25
3.	Aluminum Metalized Metallic Yarn (All Colors) Nylon/ Viscose	5605.0000	5605.0000.1800	China	6.00
			5605.0000.1900	UAE	7.50
			5605.0000.2000	Japan	8.00
			5605.0000.2100	Others	7.00



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 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. The Custom 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.

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:** 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 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 this Directorate General immediately.

10. *This ruling supersedes Valuation Ruling No.964/2016 dated 11-11-2016.*


(Shafique Ahmed Latki)
Director

Copy for information to: -

1. The Member (Customs-Operations/Policy), 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. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad / Gwadar.
12. Director, Transit & Trade, Custom House, Karachi.
13. Director, Directorate General of Customs, Valuation Custom House, Lahore.
14. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
15. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
16. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
17. Revision Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi.
20. Webmaster, Federal Board of Revenue, Islamabad.