



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collector of Customs, Collectorate of Customs, (Appraisement - West / Appraisement -East/ Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad / (Appraisement / Enforcement), Quetta / Gawadar / (Appraisement / Enforcement / AIIA), Lahore/ Appraisement, Faisalabad / Appraisement, Sambrial (Sialkot)/ Enforcement, Multan / Islamabad/ Gilgit -Baltistan / (Appraisement / Enforcement), Peshawar / Enforcement, Dera Ismail Khan/ Exports (Port Muhammad Bin Qasim/ Custom House), Karachi.

**DETERMINATION OF CUSTOMS VALUES OF POLYESTER/ACRYLIC
PILE FABRIC FOR BLANKET (PILE LENGTH 5MM & ABOVE, AND WEIGHT 200
GSM & ABOVE) UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1554-2021)

C.No. Misc/34/2016-IV/ 776.

Dated: 06 -10-2021



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, Customs values of Polyester/Acrylic Pile Fabric for Blanket (Pile Length 5mm & above, and Weight 200 GSM & above) are determined as follows:-

2. **Background of the valuation issue:** Earlier Custom values of Polyester/Acrylic Pile Fabric for Blanket (225 GSM and above) were determined vide Valuation Ruling No.1485/2020 dated 13.11.2020. Being aggrieved with this Valuation Ruling, many importers and manufacturers of the Blanket Fabric filed Revision Petitions under Section 25D of the Customs Act, 1969 before the Director General of Customs Valuation and the same were allowed by the competent authority vide Order in Revision No.25/2021 dated 20-08-2021 and impugned Valuation Ruling was set aside in the following terms:

“The Valuation Ruling is, therefore, set aside owing to procedural and legal defects. The Director Valuation is directed to re-determine the values of pile fabric for blankets by conducting proper investigation of prices prevalent in the international market and the countries of origin.”

Accordingly, an exercise was undertaken by this Directorate to re-determine the customs values of subject goods.

3. **Stakeholders' Participation in Determination of Customs Values:** Meeting with the manufacturers/ importers/stakeholders/Associations and trade bodies was held on 07-09-2021. The above stakeholders were requested vide this office letter dated 27-08-2021 to submit their proposals/suggestions as well as following documents before or during the course of meeting so that Customs values could be determined:

- i. *Copies of invoices of imports (including GDs, ER, PL, BL, & all related imported documents each GD-wise) during last one year showing factual 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 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.*
- vi. *Manufacturer's discount schedule if any.*
- vii. *Copies of export GDs of manufacturer.*



The meeting was also attended by respective representatives of different stakeholders. The participants submitted few documents which were examined. The participants also produced export GDs from China to show their point of view regarding their declared values. The aspects of pile length and GSM for the subject item was also discussed. The import clearance data obtained from PRAL and documents furnished by the stakeholders were examined and the points of views of the participants were heard in detail and considered to arrive at Custom values of the subject goods, while taking into account the aspects mentioned in the Order-in-Revision.

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 displayed in the import data. Moreover, importers / stakeholders attended the meeting and submitted import related documents to prove their stance. 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. Local market survey under sub-Section (7) of Section 25 of the Customs Act, 1969 could not be conducted to obtain the prices and work back the same under deductive valuation method as the subject goods are imported for manufacturing of blankets only and not for sale in the open market. Computed valuation method, as envisaged under sub-Section (8) of Section 25 *ibid* also could not be applied, as the cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25(8) of the *ibid* Act, in the country of export, could not be ascertained. Online survey reveals that prices are negotiable and conditioned to the quantity and quality of the goods. All the available information was analyzed and evaluated. However, import clearance data was taken into consideration, examined and consequently, similar and identical methods as provided under Section 25(5)&(6) of the Customs Act, 1969 were applied to arrive at assessable Customs values of Polyester/Acrylic Pile Fabric (Pile Length 5mm & above) for Blanket (200 GSM and above).

