



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE, KARACHI

**The Collectors of Customs**, Collectorate of Customs, (Appraisement - West / Appraisement - East / Appraisement - Port Muhammad Bin Qasim / Enforcement JIAP / Export / Export PMBQ), 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.

**DETERMINATION OF CUSTOMS VALUES OF REVERSE OSMOSIS (RO)  
MEMBRANE AND ULTRA FILTRATION (UF) MODULE UNDER SECTION  
25A OF THE CUSTOMSACT, 1969.**

(VALUATION RULING NO <sup>1575.</sup> /2021)

No.Misc/01/2021-VII/987.

Dated: -30-11-2021

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Reverse Osmosis (RO) Membrane and Ultra Filtration (UF) Module are determined as follows:

2. **Background of the valuation issue:** Recently some importers of Reverse Osmosis (RO) Membrane and Ultra Filtration (UF) Module (RO) have complained about gross under invoicing in the import of Water Filtration (RO) Membrane and Modules mainly on the ground that the values of the subject goods are traded in the international market at higher side. The import data also reflects considerable variation in import values. Therefore, an exercise to determine the Customs values of the subject goods afresh was initiated.

3. **Stakeholders' participation in determination of Customs values:** A meeting was held on 15.09.2021 with stakeholders. The participants were requested to submit following documents, so that correct customs values could be determined:-

- i) Invoices of imports during last three months 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 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 requisite documents were submitted by the participants and detailed discussion viz international and local prices of the subject item alongwith various specification thereof.

5. **Method adopted to determine Customs values:** Valuation methods provided under Section 25 of the Customs Act, 1969 were followed. Transaction value method provided given in Section 25 (1) was found inapplicable because the requisite information was not available. Identical / similar goods value Methods provided in Section 25(5) & (6) were examined which provided some reference values but due to wide variation could not be exclusively relied on. Deductive Value Method as envisaged under Section 25(7) of the Customs Act, 1969, was examined but the same was not helpful because the values varied according to the selling point of the market and all specifications were not readily available. Similarly, the value method under Section 25(8) of the Customs Act, 1969, could not be applied due to non-availability of details of expenses relating to conversion costs incurred in the country of manufacture. Online values were also examined within the meaning of proviso to sub-section (1) of Section 25A inserted vide Finance Act, 2021. Consequently, customs values of Reverse Osmosis (RO) Membrane and Ultra Filtration (UF) Module were determined under Section 25(9) of the Custom Act, 1969.

6. **Customs values hereinafter specified** shall be assessed to duty / taxes at the following minimum Customs Values:-

| S.No. | Description of goods           | PCT       | Proposed PCT for WEOC | Origin          | Customs Values (Per PC) US\$ |
|-------|--------------------------------|-----------|-----------------------|-----------------|------------------------------|
| (1)   | (2)                            | (3)       | (4)                   | (5)             | (6)                          |
| 1     | RO Membrane Tap Water (2"x10") | 8421.2100 | 8421.2100.1000        | USA/<br>Europe  | 35                           |
|       |                                |           |                       | China/<br>Korea | 28                           |
| 2     | RO Membrane Tap Water (2"x20") | 8421.2100 | 8421.2100.1100        | USA/<br>Europe  | 40                           |
|       |                                |           |                       | China/<br>Korea | 32                           |
| 3     | RO Membrane Tap Water          | 8421.2100 | 8421.2100.1200        | USA/<br>Europe  | 175                          |



