

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

DETERMINATION OF CUSTOMS VALUES OF PVC STABILIZER UNDER SECTION 25A
OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO 1583/2021)

C. No.V.Khi/08/25A/PVC-Stab/2021-II /1037

Dated: 14 -12-2021



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the custom value of PVC Stabilizer is determined as follows:

2. **Background of the valuation issue:** Representation was received from local manufacturers that PVC Stabilizers are being declared/cleared at lower values. Due to lack of uniformity of assessments at different Collectorates, this Directorate General of Customs Valuation was requested to determine customs values under Section 25A of the Customs Act, 1969. An exercise was initiated in this Directorate General to determine customs values of subject goods in terms of Section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meeting with all stakeholders was held in this Directorate General on 08.12.2021. 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 value 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. During the meeting stakeholders were of the view that the PVC Stabilizers are produced from two different raw materials mainly Tribasic Lead Sulphate and Litharge/Lead and the prices of these raw materials shown upward trend. The PVC Stabilizers in powder form are manufactured locally and values of the said goods in the international market are also going up. However, some of the importers declared and cleared the same on much lower side. Finally, stakeholders requested to determine the customs values of PVC Stabilizers in Powder form of all grades. The stakeholders' view points were heard in detail to arrive at customs values of subject goods. Some of the stakeholders submitted requisite documents in order to substantiate their contentions.

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; however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidence of qualities and quantities of commercial level etc. Information available was, hence, found inappropriate. In line with statutory sequential order of section 25, this office conducted market inquiries using deductive value methods under sub-section (7) of Section 25 of the Customs Act, 1969, item was imported for industrial use and not readily available in the market, therefore, this method of valuation could not be relied upon due to aforesaid reasons. Valuation method vide Section 25(8) of the Customs Act, 1969, was examined for valuation but the same also could not be applied due to non availability of conversion and processing cost of exporting country. Finally, clearance data, raw material prices, international prices through internet were examined thoroughly and the information so gathered were utilized and analyzed for determination of Customs Values of PVC Stabilizers in powder form all grades under Section 25(9) of the Customs Act, 1969.

6. **Customs values for PVC Stabilizer (Powder form) - hereinafter specified** shall be assessed to duty/taxes on the minimum Customs values mentioned against them in the Table below:

S. No.	Description of Goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value (C&F) US\$ /Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	PVC Stabilizer (Powder form) All Grades	3812.3900	3812.3900.1000	All Origins	1.75



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 (4) of Section 25A of the Customs Act, 1969.

