



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

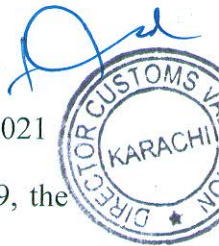
The Collectors of Customs, Collectorate of Customs (Appraisalment – West/ Appraisalment – East/ Appraisalment – Port Muhammad Bin Qasim/ Enforcement / JIAP), Karachi/ Hyderabad/ (Appraisalment/Enforcement), Quetta/Gawadar/ (Appraisalment/Enforcement/AIIA), Lahore/Appraisalment, Faisalabad/Appraisalment, 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 CUSTOM VALUES OF TULLE NET FABRICS
UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1586 / 2021)

C. No. Misc/14/2021-IV/1042

Dated 14th December 2021



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

2. **Background of the valuation issue:** Earlier, the Customs values of Tulle Net Fabrics were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1449/2020 dated 04-06-2020. Several representations were received from various importers regarding re-determination of Customs values of different types of tulle net fabrics and that values of subject items need to be revised keeping in view the values in the international market. In view of the foregoing, the Directorate General initiated an exercise for determination of Customs values in terms of Section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings were held on 09-11-2021 and 24-11-2021 which were attended by different stakeholders. The stakeholders and participants were requested to furnish following documents before or during the course of meeting so that Customs values could be determined:-

- i. Invoices of imports during last three months showing customs 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 their contentions.

4. During the meetings, stakeholders were of the view that the values of the subject goods in the existing Valuation Ruling are old and needs to be revised. They contended that the values of the goods are on a downward trend and a fresh valuation ruling may be issued accordingly. In addition thereto, the importers requested to cover other/different types of tulle net fabrics. The participants were requested to submit the relevant documents in order to substantiate their

contentions. One of the participant contended that Custom values in the current VR are considerably lower than the cost of domestic manufacturing, as the prices of all the raw materials have increased significantly. The costs of raw materials like polyester and nylon, prices in local market etc. were also taken into consideration. The view point of participants was heard and samples of the subject items examined and considered in details to arrive at Customs values of tulle net fabrics.

5. **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. Transaction value method as provided in 25(1) of the Customs Act, 1969 was found inapplicable because the requisite information was not available. Identical / similar goods value method as provided in sub-Sections (5) & (6) of Section 25 of the ibid Act, 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 retaliating to conversion costs incurred in the country of manufacturer. Online values were also examined within the meaning of proviso to sub-section (1) of Section 25(A) inserted vide Finance Act, 2021. Consequently, Customs values of Tulle Net Fabrics have been determined under Section 25(9) of the Customs Act, 1969.

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

Sr. No.	Description of goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$/Kg
1	2	3	4	5	6
1	Nylon Tulle Net Fabrics (Grey)	5804.1000	5804.1000.1000	China	5.30
			5804.1000.1100	Indonesia, Malaysia, Thailand, Vietnam & Korea	5.82
			5804.1000.1200	UAE	6.97
			5804.1000.1300	Europe, USA & Canada	6.32
2	Nylon Tulle Net Fabrics (Bleached)	5804.1000	5804.1000.1400	China	5.98
			5804.1000.1500	Indonesia, Malaysia, Thailand, Vietnam & Korea	6.50
			5804.1000.1600	UAE	7.65
			5804.1000.1700	Europe, USA & Canada	7.00
3	Nylon Tulle Net	5804.1000	5804.1000.1800	China	7.40

