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

The Collectors of Customs, Collectorate of Customs, (Appraisement - East / West/ Port Muhammad Bin Qasim / Enforcement/ JIAP), Karachi/ Hyderabad (Appraisement/ Enforcement), Quetta/ Gawadar/ (Appraisement/ Enforcement/ AIIA) /Lahore/ Appraisement, Faisalabad/ Appraisement, Smbrial (Sialkot)/ Enforcement, Multan/ Islamabad/ Gilgit-Baltistan / Export ((Appraisement/ Enforcement), Peshawar/ Enforcement, Dera Ismail Khan

DETERMINATION OF CUSTOMS VALUE OF LATEX RUBBER THREADS UNDER SECTION25A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO1633/2022)

C. No.DGVDB/REF/Val/52/2016-III/381 Dated:18-04-2022

DIRECTOR CUSTOMS VALUATION KARACHI

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

2. **Background of the valuation issue:** Earlier, the customs values of Latex Rubber Threads were determined under section 25A of the Customs Act, 1969 customs values of vide Valuation Ruling No.1409/2019 dated 08-11-2019.However, representations were received from importers and manufacturers for revision and rationalization of the existing valuation rulingin the light of transitional values prevailing in the international market. Accordingly, 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, trade bodies including representatives of clearance Collectorates were held in this Directorate General on 10-02-2022. 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. The meeting was attended by stakeholders and their points of view were heard in detail to arrive at custom values of subject goods. M/s Fintex submitted the documents in support of their contention. Keeping in view the element of freight, import prices of raw materials and the values prevailing in the local and international market.

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

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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 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 Custom Values Latex Rubber Threads under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Latex Rubber Threads** - ***hereinafter specified*** shall be assessed to duty/taxes on the Customs values mentioned against them in the Table below:

S.No.	Description of Goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F)
(1)	(2)	(3)	(4)	(5)	(6)
1	Latex Rubber Threads (30-44 counts)	4007.0010 4007.0090	4007.0010.1000 4007.0090.1000	China	3.60
			4007.0010.1100 4007.0090.1100	Malaysia / Thailand	3.75
2	Latex Rubber Threads (45-55 counts)		4007.0010.1200 4007.0090.1200	China	3.70
			4007.0010.1300 4007.0090.1300	Malaysia / Thailand	3.85
3	Latex Rubber Threads (56-63 counts)		4007.0010.1400 4007.0090.1400	China	3.80
			4007.0010.1500 4007.0090.1500	Malaysia / Thailand	3.95
4	Latex Rubber Threads (64-90 counts)		4007.0010.1600 4007.0090.1600	China	3.90
			4007.0010.1700 4007.0090.1700	Malaysia / Thailand	4.10

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

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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 25-A of the Customs Act, 1969.

9. **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, before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in this Valuation 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 Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the above table of this Ruling. HS Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969, or any other law in vogue therein.

11. This Valuation Ruling supersedes Valuation Ruling No.1409 / 2019 dated 08-11-2019.

(Syed Fawad Ali Shah)
Director

Copy for information to: -

1) The Member Customs (Policy/Operations), F.B.R., Islamabad.
2) The Director General, Customs Valuation, Custom House, Karachi.
3) The Chief Collector of Customs, Appraisement (South) Custom House, Karachi.
4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
5) The Chief Collector of Customs, Appraisement (Central), Custom House, Lahore.
6) The Chief Collector of Customs, Enforcement (Central), Custom House, Lahore.
7) The Chief Collector of Customs (North), Custom House, Islamabad.
8) The Chief Collector of Customs Balochistan, Custom House, Quetta.
9) The Chief Collector of Customs Khyber Pakhtunkhwa, Custom House, Peshawar.
10) The Director General, Intelligence and Investigation-FBR, Islamabad.
11) The Director General, PCA& Internal Audit, Karachi.
12) The Director General, IOCO, Karachi
13) The Director General, Transit Trade, Custom House Karachi
14) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
15) The Director, Transit Trade, Custom House Karachi
16) The Director, Directorate of Customs Valuation, Lahore.
17) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs &WEBOC database system.
18) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
19) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta &Peshawar.
20) The Karachi Customs Agents Group, Bohri Road, Karachi.
21) The Webmaster, Federal Board of Revenue, Islamabad.
22) Guard File.

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