

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

File No.DG(V)Val.Rev/58/2022/1167

Dated 17th November, 2022

**Order in Revision No. 101 /2022 under Section 25D of the Customs Act, 1969,
against Valuation Ruling No.1679/2022 Dated 22-07-2022**

- i. This copy is granted free of charge for the private use of the person to whom it is issued.
- ii. An appeal against this Order-in-Revision lies to the Appellate Tribunal, Customs having jurisdiction, under section 194-A of the Customs Act, 1969, within stipulated period as prescribed under the law. An appeal should bear a court fee stamp of Rs.1000/- (Rupees one thousand) only as prescribed under schedule-II item 22 of the Court Fee Act, 1870 and must be accompanied by a copy of this Order.
- iii. An extra copy of appeal, if filed, should simultaneously be sent to this office for information and record.
- iv. If an appeal is filed, the appellant should state whether he desires to be heard in person or through an advocate.



M/s Prisma Tech Pvt. Ltd.
M/s DuPont Pak. Operations Pvt. Ltd.
M/s H.S Engineering Services

..... PETITIONERS

VERSUS

Director, Customs Valuation, Karachi

..... RESPONDENT

Date(s) of hearing

05-10-2022

For the Petitioners

Mr. Imran Qudoos
Mr. Haris Mansoor
Mr. Jawaid Siddiqui

For the Respondent

Mr. Iqbal Ali, Principal Appraiser

These revision petitions were filed under Section 25D of the Customs Act, 1969, against Customs values determined vide Valuation Ruling No.1679/2022 dated 22-07-2022, issued under Section 25A of the Customs Act, 1969, inter alia, on the following grounds:

M/s Prisma Tech (Pvt) Ltd

"We, M/s Prisma Tech (Pvt.) Ltd, being manufactures of MODIFIED SOLID SURFACE SHEETS, are aggrieved by the Customs Values determined vide valuation ruling No. 1679 dated 22/07/2022.

The said valuation ruling;


1. Has not determined correct customs values for Counter Top Sheet/Solid Surface Sheet of **acrylic polymers**, thickness 6mm to 12mm, classified under heading 3920.5900.

For example; the value determined for China origin "other brands" is USD 2.03 per Kg, which is much lower than the actual C&F prices that range from USD 3.00 to USD 3.50 per Kg. This can be verified through various international suppliers and local market survey. Similarly, the values determined for all remaining regions and brands in the ruling are also on lower side.

2. Has not determined **any** custom value for **modified** Counter Top Sheet/Solid Surface Sheet, thickness 6mm to 12mm, classified under heading 3920.6390 and 3920.6900.

In our letter No. PTPL-69-22 dated 18/01/2022 on the subject "IMPORT OF UNDER INVOICED GOODS AFFECTING LOCAL MANUFACTURING OF MODIFIED SOLID SURFAE SHEETS", we had proposed custom value of USD 2.57 per Kg.

Here we would like to differentiate **acrylic** and **modified** counter top sheets/solid surface sheets as under,



S. No.	Description	HS Code	Raw Materials	Physical Properties
1	Acrylic Counter Top Sheet/Solid Surface Sheet based on Acrylic Resin	3920.5900	Acrylic Polymer 100%	Easily bendable upto 360 degree
2	Modified Counter Top Sheet/Solid Surface Sheet based on Unsaturated Polyester Resin	3920.6390	Unsaturated Polyester Resin 30%, Aluminium Hydroxide 68%, Other additives 2%	Can be bent upto 45 degree due to presence of Aluminium Hydroxide

In the light of above, we would like to request you to,

1. Do upward revision in the table against the entries of Counter Top Sheet/Solid Surface Sheet of **acrylic polymers**, thickness 6mm to 12mm, classified under heading 3920.5900, against all origins. The benchmark price for "other brands" of China origin should be USD 3.00 and
2. Add a separate table for **modified** Counter Top Sheet/Solid Surface Sheet, thickness 6mm to 12mm, classified under heading 3920.6390 and 3920.6900 and fix the value of USD 2.57 per Kg for "other brands" of China origin. Similarly, the values against all brands and all origins should also be determined accordingly."

M/s DuPont Pakistan Operations (Pvt.) Ltd.

1. At the outset it is submitted that the Petitioner, DuPont Pakistan Operations (Pvt.) Ltd. (legal name), (hereinafter the "Petitioner") is a global science company and has been operating in Pakistan since 1989 and being a responsible corporate citizen and taxpayer, makes a significant contribution to national exchequer on an annual basis.
2. It has been come to Petitioner's knowledge that the captioned price valuation ruling has been passed by the department supposedly after meeting all stakeholders but it is submitted, with respect, that Petitioner, despite being the main stakeholder, was not invited to this meeting or informed of such an exercise by the Department. This point is further supplement by the fact that hence the above ruling has been passed without hearing the Petitioner, which has significant negative impact on Petitioner's business. It thus is contrary to the principles of natural justice. DuPont brand Corian® is placed as benchmark for determination of value vis a vis other global brands like LG Hi-Max®, Lotte Staron® & Hyundai Hanex® etc. However, the Petitioner's product has been priced 15% on higher than other global Brands without any reasoning, or material, or justification, and solely based on assumptions, and unverified information. It is submitted that the global market of the acrylic polymer products is highly saturated to the effect that even 1-2% price margins are extremely competitive.
3. It is submitted that this pricing i.e.15% higher than its competitors will cripple Petitioner's competitiveness vis a vis other global brands i-e LG, Samsung, Lotte, Hanex etc. in the local market.
4. It is submitted that the local manufacturer, on whose apparent representation the exercise of valuation was carried out, does not produce Acrylic polymer products but Acrylic Modified polyester resin products which are very cheaper in price than Pure Acrylic products produced by Global brands. On the other hand, the said local manufacturer imports the pure acrylic products from Korea and China via its sister concern **Finceria Pvt Limited** brands i-e (**Korea: Hanex®; China: Koris®**) for past many years on \$0.5/KG and now claiming to set revised prices based on product which they are not producing locally. This aspect has gone unnoticed, while passing the Ruling under Revision.
5. It is submitted that all other importers follow the same path and clear their Acrylic Polymer shipments on \$0.5/Kg for several years. The Petitioner on the other hand from start always imports on fair market value and this can be verified from the past records of Acrylic polymer imports of our brand Corian®. By way of clarification the Petitioner attaches herewith the retail market prices of Pure Acrylic products of global Brands vs the said Local manufacturer polyester resin brand **Polyrock®** and it is submitted that at present the price difference between the local produced polyester vs Global brands Acrylic product is between +150% to 250% in the local market of Pakistan. It is submitted that the local manufacturer's claim that it is not competitive is patently false.
6. That the Petitioner welcomes the desire of the price increase by the department to ascertain the correct price of the acrylic Polymer Solid Surface products and would like to assist the department to determine the fair market value according to the International prices.
7. Therefore- while seeking Revision on the captioned ruling- the Petitioner makes the following recommendations and price suggestions based on average price means, namely that:

- a. All Global brands be placed under the same price valuation regime irrespective of their origin as DuPont has Acrylic & Polyester sheet plants in multiple regions i-e (USA, Korea, Japan, and China) and we can confirm there is no price difference based on country of origin except China.
- b. All Acrylic Polymer material coming from The People's Republic of China be placed in one category.
- c. All Acrylic Modified Acrylic/Polyester material coming from China may also be regularized and regulated.

Proposed Price List:

Sr. No.	Description of Goods	PCT Code	Origin	Proposed Values(C&F) US\$/KG
(1)	(2)	(3)	(4)	(5)
1	Counter Top Sheet/Solid Surface Sheet of Acrylic polymers	3920.5100 3920.5900	Japan, Korea, USA, Turkey etc..	3.4
2	Counter Top Sheet/Solid Surface Sheet of Acrylic polymers	3920.5100 3920.5900	China	2.8
3	Counter Top Sheet/Solid Surface Sheet of Modified Acrylic /Unsaturated Polyesters	3920.6390 3920.6900	China	2.1



The above prices are well above the proposed prices evaluated by the department and would help ensure a level playing field for all players in the market and attract higher taxes and revenue for the national exchequer. The recommended prices will also encourage local and foreign Investors to invest in local production once prices are fairly documented by the importers at import stages and strong checks and balances are adopted by the department.

That the Petitioner also seeks a personal hearing in the matter at which the Petitioner seeks leave to add additional legal and factual grounds supported by documents etc.

Prayer

It is most respectfully prayed that the competent authority may kindly take notice of Petitioner's representation through Revision hereinabove and revise the price valuation accordingly."

M/s H.S Engineering Services

"We, M/s. H.S Engineering Services, H.S Tower, 27, Empress Road, Lahore are filing this Revision Petition under section 25D of the Customs Act, 1969.

Brief facts of the case are that the Director, Directorate General of Customs Valuation, Karachi issued VR No. 1679/2022 dated 22-07-2022 regarding counter top sheet/solid surface sheet of

acrylic polymers of PCT 3920.5100 and 3920.5900 ranging from \$2.03/kg to \$2.70, whereas, the actual value ranges between \$1.18/kg to \$1.58/kg, hence this appeal.

As per VR the C&F values of the counter top sheets/solid surface sheet of acrylic polymers of thickness 6mm to 12mm has been fixed as under:

Sr. No.	Description of Goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value (C&F)
(1)	(2)	(3)	(4)	(5)	(6)
1	Counter Top Sheet/Solid Surface Sheet of acrylic polymers/ thickness 6mm to 12mm (Corian)	3920.5100	3920.5100.1000 3920.5900.1000	China	2.39
			3920.5100.1100 3920.5900.1100	Korea	2.86
			3920.5100.1200 3920.5900.1200	USA	3.17
			3920.5100.1300 3920.5900.1300	Other Origins	2.81
2	Counter Top Sheet/Solid Surface Sheet of acrylic polymers/ thickness 6mm to 12mm (Other Brands)	3920.5900	3920.5100.1400 3920.5900.1400	China	2.03
			3920.5100.1500 3920.5900.1500	Korea	2.43
			3920.5100.1600 3920.5900.1600	USA	2.70
			3920.5100.1700 3920.5900.1700	Other Origin	2.40



5. The values have been fixed arbitrary and much on high side without any legal basis. The actual calculation based on the prices of raw materials are as under:

We imported consignment from China in March, 2022. The composition provided by the shipper is attached as Annex-I. The details and costing of the imported product is as under:

S.No.	Description	%age in the product	International Price	Value in the Product/MT
1.	Unsaturated Polyester Resin	28%	\$ 1200-1400/MT Av: \$ 1300/MT	\$ 364
2.	Aluminum Trihydrate	70%	US\$ 550 for Shendong chentu New Material Co. Ltd	\$ 385/MT
3.	Pigments	1%	\$ 1500/MT	15/MT
4.	Adhesive	1%	\$ 940-960 /MT Av: 950/MT	\$ 9.50/MT

Processing Cost 10% (approx.)
Handling, Project, Misc 10%
Ex-Factory Price
Freight (\$4500/20" Container)
Total

\$ 80
\$ 80
\$ 933
\$ 225
\$ 1158/MT

6. The same product is being manufactured by Lotte Chemicals, the brochure is attached as Annex-II, which depicts following information. The details and costing of the imported artificial marble top of Lotte Chemicals, South Korea is as under:

S.No.	Description	%age in the product	International Price	Value in the Product/MT
1.	Polymethyl Methacrylate (Acrylic Resin)	25-35% (Av: 30%)	\$22-\$2400 (Av: 2300)	\$ 690
2.	Aluminum Trihydrate	65-75% (Av: 69%)	US\$ 550 for Shendong chentu New Material Co. Ltd	\$ 385/MT
3.	Pigments	1%	\$ 1500/MT	15/MT
Sub Total			US\$ 1090	

Processing Cost 10% (approx.)	\$ 110
Handling, Project, Misc 10%	\$ 110
Ex-Factory Price	\$ 1310
Freight (\$4500/20" Container)	\$ 225
Grand Total	\$ 1535/MT

Note: The company does not use adhesive, Acrylic resin is used, which when heated becomes strong adhesive as well.

Artificial Marble (Acrylic Top) is made by following process / steps, Flow Chart is as under:

- Resin Mixing
- Feeding Resin
- Single Colour Mixing
- Conveyer Belt
- Compound Mixing
- Put material in big mould
- Pressing & Vibrating
- Open mould / bin – take out block
- Cut into sheets by gang saw
- Polishing – one side of sheet (by Rubbing & Smoothing)



This is a process industry and no high tech manufacturing is involved. The cost of mixing compounding cutting and polishing is 8-10% of the value of raw material. The process can be seen at website <http://www.youtube.com/watch?v:P-8vvfc8xrm>.

The values are fixed much on higher side. The impugned determination of values and valuation Ruling dated 22-07-2022 are arbitrary, illegal and without jurisdiction and of no legal effect on the following grounds:-

That the values have been determined on the basis of prices obtained through internet sources from some websites of suppliers of Respondent's choice which is neither permissible nor prescribed in any valuation method prescribed under Section 25 nor in any valuation rule of Customs Rules, 2001, therefore, the

impugned Valuation Ruling is ab initio void, arbitrary, illegal and without jurisdiction and of no legal effect.

That the reasons for not adopting methods of valuation provided under Sub-Sections (5), (6), (7) and (8) of Section 25 are not sustainable.

That the impugned Order-in-Review and Valuation Ruling being orders in rem are violative of Section 24A of the General Clauses Act, 1897.

That admittedly neither any market enquiry was conducted nor any market enquiry report has been placed on record and the Respondent No.1 has deliberately not applied the valuation method prescribed under Sub-Section (7) of Section 25 of the Act, 1969.

That without making any effort to get conversion cost and allied expenses on part of the Respondent No.1 the method of valuation prescribed under Sub-Section (8) of Section 25 was not applied on the baseless reason just to adopt the valuation method of Departmental choice.

That the valuation method contained in sub-section (9) of Section 25 has been arbitrarily chosen which is only applicable if the methods contained in sub-sections (1), (5), (6), (7) and (8) of Section 25 are not applicable and valid reasons are required for their non-applicability which are absent in the instant case which establishes the whole determination is arbitrary and illegal. Though it has not been mentioned but it seems that sub-section (9) fall back method has been applied.

That under the law the value must be determined on a basis that is "derived" from among the valuation methods specified in sub-sections (1), (5), (6), (7) and (8) of Section 25 which are permissible to be applied in flexible manner, as held by the Hon'ble High Court in its reported judgment 2014 PTD 176 Goodwill Trader vs FOP and Sadia Jabbar case, but no valuation method or methods from which the values have been derived and flexibly applied with suitable blending has/have been disclosed, therefore, the determination is prima facie illegal.

That methodology adopted in the impugned Valuation Ruling is contrary to the law and provision of Section 25 and against the guidelines given by the Hon'ble High Court of Sindh Karachi in its hall mark reported judgments PTCL 2014 CL.537 Sadia Jabbar vs FOP and 2014 PTD 176 Goodwill Trader vs FOP. Therefore, impugned Ruling and determination is ab initio arbitrary, void, illegal and without jurisdiction and of no legal effect.

That is established principle of interpretation of the tax laws is that the plain language of the law is to be applied. A bare perusal of the section 25 shows that it is specifically provided in sub-section (1) of section 25 that the customs value of the imported goods, subject to the provisions of this section and rules shall be transaction value. Hence, the provisions contained in section 25(1) to (4) contain primary method of valuation and in the first stance the primary method of valuation is mandatory and required to be adopted in each case of valuation (2006 PTD 909). But in the impugned ruling the Respondent admittedly has not applied this transactional value method on the basis of some assumption or presumption. Therefore, the impugned ruling is arbitrary, illegal, void ab-initio and without jurisdiction and authority.

That the impugned valuation ruling is based on some presumptions without any



valid supporting evidence.

The impugned determination of customs values and valuation Ruling dated 22-07-2022 are arbitrary, illegal and without jurisdiction and of no legal effect. The Director Valuation has no valid reasons for not adopting methods of valuation provided under Sub-Section (5), (6), (7) and (8) of Section 25 while making impugned determination of customs values. The impugned Valuation Ruling being an order in rem is violative of Section 24A of the General Clauses Act, 1897. Any independent market enquiry was not conducted neither any market enquiry report has been placed on record by the concerned officer. The impugned customs values are arbitrary and the impugned valuation ruling has been issued on the basis of no evidence. The methodology adopted in the impugned Valuation Ruling is contrary to the law and provision of Section 25 and against the guidelines given by the Hon'ble High Court of Sindh Karachi in its hall mark reported judgments PTCL 2014 CL.537 Sadia Jabbar vs FOP and 2014 PTD 176 Goodwill Trader vs FOP, therefore, impugned Ruling and the predetermination of customs values are ab-initio arbitrary, void, illegal and without jurisdiction and of no legal effect. The concerned officer has disclosed that the valuation methods provided under Section 25(1), (5), (6), (7) & (8) of the Act, 1969 could not be applied and the impugned customs values were predetermined under Section 25(9) in which the values must be determined on the basis i.e. "derived" among the valuation methods specified in sub-sections (1), (5), (6), (7) & (8) of Section 25 by applying these sub-sections in a "flexible manner" or a suitable blending of elements from two or more of the other valuation methods, again applied flexibly which is the basic framework of the said sub-section, they made reliance on reported judgment 2014 PTD 176 Goodwill Trader vs FOP. The provisions contained in Section 25(1) to (4) contain primary method of valuation and in the first stance the primary method of valuation is mandatory and required to be adopted in each case of valuation (2006 PTD 909). Violations of provisions of Section 25(5), (6) and (7) as well as violations of valuation rules prescribed in Customs Rules, 2001 were made as apparent from the record on part of the Respondent No. No finding has been given on the issue of determination of impugned values vide valuation ruling dated 22-07-2022 on the basis of information sought from internet sources which are neither prescribed under any valuation method or customs rule nor permissible under the law and violation of judgments of Hon'ble High court Sadia Jabbar v/s Federation Of Pakistan (PTCL 2014 CL537).



Sadia Jabbar case states that methods should be applied in a sequential order except reversal of the order of sub-section (7) and (8), at the importer's request, if so agreed by Collector of the Customs. It further states that

"For present purposes, it is the second change, whereby the words "are required to" were substituted with the words "may or may not", that is relevant. On the face of it, this appears to confer discretion on the appropriate customs officer: he may or may not, but is no longer required to, apply the sequential order laid down in subsections (1), (5), (6), (7), (8) and (9). Two points need to be made. Firstly, for the reasons stated in para 10 supra, the proper interpretation of subsection (10) must be to regard the scope of the discretion, if any, now conferred by it as limited. The difference between the Valuation Agreement and section 25 must be minimized. Therefore, on its proper interpretation, the change made to subsection (10) has only a limited ambit. It is only on rare occasions, and in exceptional circumstances and/or for compelling reasons that the

appropriate customs officer may deviate from the principle of sequential application. Otherwise, the invariable practice must be to adhere to the said principle in the strict sense described in para 12 supra. Secondly, and perhaps more portantly, even if the customs officer is now to be regarded as having some discretion in the matter, it is difficult to see how he would be able to exercise it. The reason is that, as noted above, such of subsections (5), (6), (7), (8) and (9) expressly opens with words that make it applicable only if "the customs value of the ported goods cannot be determined under" the preceding applicable subsection. These words lock-in the principle of sequential application into the very structure of section 25. If, for ample, in a particular case, the customs officer seeks to jump straight to (say) the computed value method (subsection (8)), he would be able to apply it only if he can first show (as required by} the subsection itself) that subsection (7) cannot be applied. If he cannot do this, the matter goes back to subsection (7), but that subsection itself applies only if it can be shown that subsection (6) does not apply, and so on. As will be seen, the matter would (or could) thus go back to subsection (1) itself, the transaction value method. In our view therefore, the changes made to subsection (10) have made no substantive change, and the principle of sequential application continues, as before, to apply to section 25 in its full rigour to give his reasons why the preceding method(s) are abandoned.

The Sadia Jabbar case discussed the ruling is No.Misc/01/2009-VIIB dated 23-10-2009, issued in relation to ball bearings imported from Japan and China and observed that.

This ruling, in our view, appears to come closest to correctly applying and following the provisions of section 25A as noted above. There appears to have been an application of mind by the Director Valuation to the various methods in the proper sequential order, although the reference to the transaction value is not relevant for reasons stated supra. Reasons of one sort or another are given in respect to each method as to why that method is inapplicable, and ultimately the fallback method (subsection (9)) is purportedly applied. However, when the ruling is examined in more detail, it is clearly ultra vires section 25A. Thus, it appears to set a minimum customs value for Japanese ball bearings. Setting minimum values is prohibited both under the Valuation Agreement Article 7, which corresponds to the fallback method) and Rule10 of Chapter IX of the Rules. Furthermore, the customs values actually determined are simply based on some price list issued in Relation to Japanese ball bearings. In relation to Japanese ball parings, this is obviously not an application of the fallback method, but one of the preceding methods, although ostensibly those methods were found inapplicable. In respect of Chinese bearings, the price list aforesaid is applied with a 75% "discount"slow both under the Valuation Agreement and section 25 read with chapter IX, it is only the prices in the country of export or the country of import (i.e., Pakistan) that are relevant to the extent permissible. The prices prevailing in any other country are notrelevant. Thus, subsection 13(e) of section 25 expressly provided that "goods shall not be regarded as 'identical goods' or 'similar goods' unless they were produced in the same country as the goodsvalued". Finally, it also purports to apply the "invoice value i.e., the transaction value) if it is "higher" than the value determined in the ruling. As already noted, this is impermissible under section 25A. This ruling is therefore, also ultra vires of the section."



The next ruling is No. Misc/05/2009-IVC date 31.10.2009, issued in relation to drawer locks, door closures and door hinges. Although this ruling also refers to some of the* methods of section 25 (referring to subsections (1), (5) and (6)) and then purports to apply the deductive value method (subsection (7)), it is, in our view, nonetheless non-compliant with the requirements of section 25 A. Subsection (1) (transaction value) is in any case not applicable to a determination under section 25A. Subsections (5)d and (6) are apparently rejected because the "declared" prices of previously imported goods of the same category are "extremely low" compared with their "selling prices in the market". However; subsections: (5) and (6) (the identical and similar goods methods) clearly provide that it is the transaction value of the said goods "when sold for export to Pakistan" and "exported at or about the same time as the goods being valued" that is relevant. The "selling prices" in the local (Pakistan) market are irrelevant. It is also not clear how the deductive value method (subsection (7)) has been applied. This ruling is therefore, also ultra vires section 25A.

The next ruling to be considered is C.No,Misc/16/2008- IVA/3094 dated 21.12.2009, issued in relation to bicycle parts and components. There is no attempt to establish which are the applicable methods 'which relate to the category of goods which are the subject matter of the ruling, and which one of those methods is being applied, and why. Indeed, the ruling does not refer to any of the methods of section 25 at all. This ruling also purports to apply the "invoice value" (i.e., the transaction value) if it is "higher" than the value determined in the ruling. This ruling is therefore, also ultra vires section 25A.

Under the World Trade Organization member states entered into the agreement, called "Valuation Agreement" on implementation of Article VII of the General Agreement on Tariffs and Trade 1994. This agreement set for what was (at least for Pakistan) how the Customs value imported goods were to be determined. Although the World Trade Organization assessment came into the effect from 01-01-1995, and accordingly that was enforced in Pakistan w.e.f 01-01-2000. The Valuation Agreement can, for present purposes, be regarded as falling into two parts. One part comprises of the main articles, which contain the substantive rules for determining the customs value of goods. The second part comprises of interpretative notes to the various articles, contained in an annex to the agreement. Of course, the Valuation Agreement has to be construed as a whole, and Article 14 expressly provides that the notes in Annex I form an integral part of the Agreement and that "the Articles of this Agreement are to be read and applied in conjunction with their respective notes". The system enforced in Pakistan since 01-01-2000 reflects this divide. Section 25 was substituted in its entirety, and its various provisions primarily embody the main articles of the Valuation Agreement. Rules framed by the Central (now Federal) Board of Revenue primarily contain, in what is now Chapter IX of the Customs Rules, 2001 ("the Rules"), notified under SRO-450(I)/2001 dated 18.06.2001, the interpretative notes of Annex I of the Valuation Agreement, which describes the sequential application of law.

The primary basis for customs value under this Agreement is "transaction value" as defined in Article 1. Article 1 is to be read together with Article 8 which provides, inter alia, for adjustments to the price actually paid or payable in cases where certain specific elements which are considered to form a part of the value for customs purposes are incurred by the buyer but are not included in the price actually paid or payable for the imported goods. Article 8 also provides for the inclusion in the transaction value of certain considerations which may pass from the buyer to the seller in the form of specified goods or services rather than in the form of money. Articles 2 through 7 provide methods of determining the customs value whenever it cannot be determined under the provisions of Article 1. Where the customs value cannot be determined under the provisions of Article 1 there should normally be a process of consultation between the customs



administration and importer with a view to arriving at a basis of value under the provisions of Article 2 or 3. It may occur, for example, that the importer has information about the customs value of identical or similar imported goods which are not immediately available to the customs administration in the port of importation. On the other hand, the customs administration may have information about the customs value of identical or similar imported goods which is not readily available to the importer. A process of consultation between the two parties will enable information to be exchanged, subject to the requirements of commercial confidentiality, with a view to determining a proper basis of value for customs purposes. Articles 5 and 6 provide two bases for determining the customs value where it cannot be determined on the basis of the transaction value of the imported goods or of identical or similar imported goods. Under paragraph 1 of Article 5 the customs value is determined on the basis of the price at which the goods are sold in the condition as imported to an unrelated buyer in the country of importation. The importer also has the right to have goods which are further processed after importation valued under the provisions of Article 5 if the importer so requests. Under Article 6 the customs value is determined on the basis of the computed value. Both these methods present certain difficulties and because of this the importer is given the right, under the provisions of Article 4, to choose the order of application of the two methods. Article 7 sets out how to determine the customs value in cases where it cannot be determined under the provisions of any of the preceding Articles. Agreement and procedure laid down referred above clearly describes the rights and responsibilities of both the parties, importers and the relevant department. Section 25 of the Customs Act, 1969 completely corresponded with the above noted Articles of GATT Agreement and mandatorily require its implementation with its true letter and spirit as such the legal strength of the said section, empowers the concern officials of customs to act accordingly.



The said Valuation Agreement and World Trade Organization system also provides the detailed formal mechanism for dispute resolution to which any member state can resort if it is of the view that another member state is not fulfilling its WTO obligations. This mechanism is prescribed in a separate agreement known as the "Understanding on Rules and Procedures governing the Settlement of Disputes" (generally referred to as the "Dispute Settlement", expressly provides that the DSU applies to disputes arising under it. The DSU provides for an adjudicating mechanism by which binding rulings can be made by "panels" and, on appeal, by appellate bodies. If the defaulting state fails to abide by its obligations, and the relevant panel and/or appellate body find against it, then the aggrieved member state may, if certain conditions are met, impose sanctions (known as "measures") in case of violations. Thus, the WTO system has a lot of bite in it, and member states must be, and generally are be careful to ensure that they are committed with their obligations under its various agreements, these specific norms are also overruled during the hierarchy of the Customs and preparation of subject impugned Valuation Ruling. The said important legal obligations are not been followed nor conducted during the determination and issuance of the present impugned Valuation Ruling. It is the high time to think over such discrepancies and to obey and follow the international agreements, legitimately executed between the countries by the concerned officials as well as the officials of the Federal Board of Revenue having the competent jurisdiction to comply with, if otherwise, such consistent derogatory and transgression acts of dis-obedience from legal provisions of law were not eliminated, the repetition would cause the irreparable losses and damages not only to the relevant importers, but serious losses could be occurred to the government exchequer also, department needs to invoke such liabilities for their better performance.

From the aforesaid ably deliberation on the statutory obligations, we would not like to supply omission and read in the statute what has been deliberately omitted or interpreted by the respondents at the time of issuance the subject impugned Valuation Ruling, specially when the

Government of Pakistan by assigning the subject Agreement assumes the jurisprudence embodied in the General Agreement on Tariff and Trade the conditions are not to be applied bilaterally, but the same are required implication on the basis of multilateral treaty between the member countries already applying the Agreement. The implementation of the Agreement requires Members to confirm to the provisions of the Agreement in their valuation legislation and practice given the need to both facilitate trade and ensure compliance, customs administrations, for implementing the agreement need to reengineer the process of valuation of imported goods. In this regard, customs reforms and modernization will be necessary for successful implementation of the relevant Agreement and statute, to achieve the proper and appropriate results, although the modern customs procedures are established which includes risk management and post and pre-audit techniques.

Methods Adopted to Determine Customs Value: 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 value 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, wide ranges of prices were observed for some items depends upon variety/quality /quantity/ brand etc., and location of market. Hence 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/ subscriptions were examined thoroughly and the information so gathered were utilized and analyzed for determination of Customs Value of Counter Top Sheet/ Solki Surface Sheet under Section 25(9) of the Customs Act, 1969.



Customs Value of Counter Top Sheet/ Solid Surface Sheet - hereinafter specified shall be assessed to duty/taxes on the minimum Customs value mentioned in the Table below:

PRAYER

In view of the above arguments, it is prayed that:

The Valuation Ruling No. 1679 dated 22-07-2022 may please be set aside.

The Director Valuation may be directed to re-determine the values on the basis of the values of the raw material.

In the meantime the transaction values u/s 25(I) may be accepted as prevailed in the international market."


2. The respondents were asked to furnish comments to the arguments submitted by the petitioners in the case. Para-wise comments on the petition are given as under:-

"Parawise comments on the revision petition filed by M/s. Prisma Tech Private Limited, Lahore, M/s. DuPont Pakistan Operations (Pvt) Ltd., Karachi & M/s. H.S. Engineering Services, Lahore before the Director General of Customs Valuation, Karachi, in terms of Section 25-D of the Customs Act, 1969, against the Valuation Ruling No.1679 / 2022, dated 22-07-2022 of Counter Top Sheet / Solid Surface Sheet (PCT: 3920.5100 & 3920.5900), are as under :-

FACTS OF THE CASE

Representation was received from local manufacturer that Counter Top Sheets/ Solid Surface Sheets are being imported and cleared at lower values. In addition thereto, lack of uniformity of assessments at different Collectorates was also pointed out. In view of the foregoing, an exercise was initiated in this Directorate General to determine customs values of the subject goods in terms of Section 25A of the Customs Act, 1969.

Meetings with all stakeholders were held in this Directorate General on 18-01-2022 and 04-07-2022. The 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 imports made 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 value of item in question and ;
 - (iv) Copies of Sales Tax paid Invoices issued during last four months showing the difference in price to substantiate that the benefit of difference in price was passed on to the local buyers.

The meetings were attended by the stakeholders including the manufacturer and importers. It was pointed out that the values of the subject goods are on a higher side in the international market, therefore, the customs value of aforesaid goods may be determined accordingly. The views of the stakeholders were heard in detail and they were requested to submit the relevant import documents and evidences in order to substantiate their contention and to arrive at the customs value of subject goods.

However, after exhausting and examining all the valuation methods as envisaged under Section 25 of the Customs Act, 1969, and analyzing and evaluation the whole information so gathered, finally, reliance had to be made on Sub-Section (9) of Section 25 of the Customs Act, 1969, to determine the customs value of subject goods and notified under Section 25A of the Customs Act, 1969, for uniform assessment all over the country vide Valuation Ruling No.1679 / 2022 dated 22-07-2022 accordingly.

PARAWISE COMMENTS

- Para-(1)** Need no comments being mention of filing of petition in terms of Section 25D of the Customs Act, 1969.
- Para-(2&3)** Not Agreed. It is submitted that the declared value of the consignment is not reliable and not acceptable in terms of Section 25 (1) of the Customs Act, 1969, in presence of Valuation Ruling available under Section 25-A of the Customs Act, 1969. The Valuation Ruling is exhaustive which is always taken for assessment purpose in cases where the declared value is on

lower side. The Valuation Ruling has been issued under Section 25-A of the Customs Act, 1969, which always prevails upon the declared value, which in turn is not proof of exact transactional value. The customs values in impugned valuation ruling have lawfully been determined after examining the circumstances surrounding the imports. Assessments are being made as per said Valuation Rulings all over the country but only the under reference petitioners are aggrieved. It is respectfully submitted that the impugned Valuation Ruling No.1679 / 2022 dated 22-07-2022 has lawfully and justifiably been issued by the Respondent in terms of Section 25A of the Customs Act, 1969, under vested powers upon him. The Director (Valuation) has been empowered by the Board to issue valuation rulings after exhausting all valuation methods as envisaged under Section 25 of the Customs Act, 1969. No deviation from laws / rules has occurred while determining the customs values of under reference goods. However, rulings are being issued lawfully by considering record of previous rulings and taking all stakeholders on board. Respondent abovnamed had determined correct customs values although the same are being sold in the local market at higher prices. On the other hand the petitioners did not submit any import related documents such as copies of sales tax paid invoices, proforma Invoice etc. Therefore, the determined customs values are not exorbitantly increased rather the same are based on ground realities of the case record. As such the Respondent has acted according to law and procedure.

Para-(4 to 7)



Denied. It is respectfully submitted that the said Valuation Ruling No.1679 / 2022 dated 22-07-2022, was issued after thorough investigation and all aspects were considered. In this regard it is submitted that this Directorate General has determined the justified customs values vide Valuation Ruling No.1679 / 2022, dated 22-07-2022 for level playing field and for uniform assessment all over the Customs Stations of the country. Provisions of Section 25(1) to 25(9) were duly exhausted while issuing the said Valuation Ruling. Import data of previous 90 days and local market surveys were analyzed and evaluated and after gathering whole the information, the Customs values of under reference goods have been determined in terms of Section 25(9) of the Customs Act, 1969, vide above referred Valuation Ruling No.1679 / 2022 dated 22-07-2022 for uniform assessment all over the country. It is submitted that the Director Customs Valuation has been empowered to issue Valuation Rulings by exercising his powers in terms of Section 25A of the Customs Act, 1969, through applying valuation method as best suited to the determination of customs value of any imported goods into Pakistan. As such the impugned valuation ruling is not illegal, arbitrary or discriminatory as the same has been issued after thoroughly after examining the factors surrounding the import and Respondent had acted according to law and procedure as laid down in Section 25 of the Customs Act, 1969.

Para-(8 to 10)

It is submitted that Paras-(2) to (5) clearly states whole the process of issuance of said Valuation Ruling. Moreover, Para-(5) states that the said ruling has been issued in terms of Sub-Section (9) by exhausting and following all the provisions of Section 25, for the purpose of determination of Customs values. The petitioners, on the other hand, did not submit the requisite import documents or any evidence to substantiate their cause

of grievance and to enable this forum to verify the truth and accuracy of transaction value of the applicant. As per Rule-109 of the Valuation Rules issued under SRO No.450(I)/2001, dated 18-06-2001 (Chapter-IX), in the absence of valid import documents, the burden to prove correctness of transaction value shifts to the importers / applicants. Moreover, it is submitted that concept of "**fixation of value**" no more exist in the Customs Tariff rather customs values are presently being determined in terms of Section 25A of the Customs Act, 1969, by following all valuation methods as envisaged under Section 25 of the Customs Act, 1969, for uniform assessment all over the country. As such the same is not arbitrary, unjust, malafide or without justification rather the same has lawfully and justifiably been issued in terms of Section 25A of the Customs Act, 1969.

Para-(11&12)

Denied. It is submitted that the impugned Valuation Ruling issued after considering the representation of the petitioners and view point of all the stakeholders. The record of the all previous Valuation Rulings and arguments put forward by the Appellants and Respondents were considered during process of issuance of Valuation Ruling. The Appellants were asked to furnish relevant documents so as to enable that forum to verify the truth and accuracy of their contentions but no corroboratory import documents were provided by any of them. No evidence was placed on record to indicate any deviation from the existing laws / provisions as envisaged in Section 25 read with Section 25-A of the Customs Act, 1969. The petitioners could not substantiate their claim with supporting documents on record. No supporting documents / evidences have been provided by the Appellants to reject department's views and in support of their contention. Further, the Respondent has properly followed all valuation methods sequentially by rejecting and giving reasons of rejection thereof. As such the Respondent had acted according to law and procedure as laid down in Section 25 of the Customs Act, 1969, while determining customs values in the under reference valuation ruling.



Para-(13&14)

Not Agreed. It is submitted that the Petitioners have simply claimed for the acceptance of their declaration but did not submit any tangible documents in support to justify their declarations disclosing full and accurate details relating to the value of the imported goods as per Para-108 of Customs Rules, 2001. As such the transaction value cannot be accepted in absence of any relevant import evidences and documents etc. However, the said Valuation Ruling No.1679/ 2022, dated 22-07-2022 has lawfully and justifiably been issued in terms of Section 25A of the Customs Act, 1969, for uniform assessment all over the country. It is respectfully submitted that it is not mandatory for Customs to accept each and every transactional value. As such the transaction value cannot be accepted in absence of any relevant import evidences and import documents etc. in terms of Para-108 of the Customs Rules, 2001. It is further submitted that the meetings with the stakeholders were held on 18-01-2022 & 04-07-2022 which were duly attended by the commercial importers as well as official bearers / representatives of the concerned Association. The participants as well as the Association were requested to provide the documents like copies of contracts made / LCs, Sales Tax Paid Invoices to substantiate their contention of decrease in market prices. Yet they did not provide required documents before meeting. Again

during the meetings the participants were requested to submit :-

- (i) Invoices of imports made 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 value of item in question and ;
- (iv) Copies of Sales Tax paid Invoices issued during last four months showing the difference in price to substantiate that the benefit of difference in price was passed on to the local buyers.

Instead of furnishing any documentary evidence about downfall in prices in international market, they relied upon their rhetoric of decline in international market prices. They were repeatedly requested to furnish sales tax invoices alongwith monthly sales tax return filed with Inland Revenue Department as sales tax invoices are authentic document to ascertain local market price and as the Customs has authority in terms of Sub-Section (11) of Section 25 of the Customs Act, 1969, to call any documents to satisfy themselves about the truthfulness or accuracy of any information or declaration made to Customs for valuation purpose. None of them submitted sales tax invoices alongwith monthly sales tax return, on one excuse or the other. Since the matter was lingering on, it was decided to proceed on merits in the light of available record as well as local market enquiry conducted by the Department.



Para-(15&16)

Not Agreed. It is submitted that while issuing the Valuation Ruling for any imported commodity under Section 25-A, the Director of Customs Valuation has been empowered to exhaust all the valuation methods i.e. Sub-Sections (1), (5), (6), (7), (8) & (9) of Section 25 of the Customs Act, 1969 sequentially. It is submitted that customs values for issuance of Valuation Rulings are properly determined in terms of Subsections (1) to (9) of Section 25 of the Customs Act, 1969, sequentially. However, the word **"whichever is applicable"** as used in Sub-Section (1) of Section 25A gives discretion to the competent authority to adopt the method as suited to the determination of value under Section 25-A of the Act, which may or may not be applied in a sequential manner. Customs values in under reference valuation ruling have been determined in terms of Sub-Section (9) of Section 25 of the Customs Act, 1969, after properly conducting local market enquiries. Moreover, it is submitted that it is not necessary that the transaction value of the petitioners must be accepted by the Customs authorities. According to the provisions of Section 25 of the Customs Act, 1969, the burden of proof that the declared transaction values are fair lies upon the importer who may justify their declarations through documentary evidences. As such the impugned valuation ruling is not illegal or arbitrary rather the same is based on ground realities of the case and has lawfully been issued for assessment purpose only under reference petitioner seems to be aggrieved otherwise assessments are being

made as per the same.

Para-(17&18)

*Not Agreed. It is submitted that while issuing the Valuation Ruling for any imported commodity under Section 25-A, the Director of Customs Valuation has been empowered to exhaust all the valuation methods i.e. Sub-Sections (1), (5), (6), (7), (8) & (9) of Section 25 of the Customs Act, 1969 sequentially. It is submitted that customs values for issuance of Valuation Rulings are properly determined in terms of Subsections (1) to (9) of Section 25 of the Customs Act, 1969, sequentially. However, the word "**whichever is applicable**" as used in Sub-Section (1) of Section 25A gives discretion to the competent authority to adopt the method as suited to the determination of value under Section 25-A of the Act, which may or may not be applied in a sequential manner. Customs values in under reference valuation ruling have been determined in terms of Sub-Section (9) of Section 25 of the Customs Act, 1969, after properly conducting local market enquiries. Moreover, it is submitted that it is not necessary that the transaction value of the petitioners must be accepted by the Customs authorities. According to the provisions of Section 25 of the Customs Act, 1969, the burden of proof that the declared transaction values are fair lies upon the importer who may justify their declarations through documentary evidences. As such the impugned valuation ruling is not illegal or arbitrary rather the same is based on ground realities of the case and has lawfully been issued for assessment purpose only under reference petitioner seems to be aggrieved otherwise assessments are being made as per the same.*



Para-(19&21)

In this regard it is submitted that this Directorate General has determined the minimum customs values in the Valuation Ruling No.1679 / 2022, dated : 22-07-2022 for level playing field and for uniform assessment all over the Customs Stations of the country. Import data of previous 90 days was analyzed and evaluated and after gathering all information, the Customs values have been determined in terms of Section 25(9) of the Customs Act, 1969, vide above referred Valuation Ruling. It is submitted that this Directorate General convened meetings for the determination of under reference items and all stakeholders were duly invited. As such the Respondent has acted according to law while issuing the said ruling. It is submitted that the Respondent had correctly and lawfully issued Valuation Ruling in terms of Section 25A and the same was based on factual grounds of the case. It is submitted that the said Valuation Ruling has lawfully been issued in terms of Section 25-A by the Respondent after extensive exercises and holding meetings with relevant stakeholders of the said goods. As such the Respondent has acted in accordance with law and under powers vested upon him under the law while determining the customs values in the impugned valuation ruling.


PRAYER

It is respectfully submitted that the customs values of the subject goods were determined as per valuation methods laid down in Section 25 of the Customs Act, 1969 vide Valuation Ruling

No.1679 / 2022 dated 22-07-2022. The Respondent have acted lawfully and the Valuation Ruling No.1679 / 2022, dated 22-07-2022 has correctly and justifiably been issued in terms of Section 25-A of the Customs Act, 1969. On the other side the petitioner failed to furnish the requisite documents particularly copies of Sales Tax Paid Invoices issued showing the values of suppliers (excluding duty & taxes) to substantiate their contentions which are essentially required for the process of determination of customs values of any imported goods.

In view of above, it is respectfully prayed that the said Valuation Ruling may be allowed to hold field for assessment being lawful and valid. Further, transaction value cannot be accepted in absence of any tangible import documents. As such no relief is warranted to be given to the petitioners and assessments are liable to made as per said Valuation Ruling and under reference petition being not maintainable is liable to be dismissed and rejected accordingly."


ORDER



3. Hearing in the case was conducted on 05-10-2022 on which date both the petitioners and the respondent department were heard in detail. The representative of the petitioner M/s Prisma Tech Pvt. Ltd. contended that the Customs values determined vide impugned valuation ruling (VR) for Counter Top Sheet/Solid Surface Sheet of acrylic polymers, thickness 6mm to 12mm, classified under heading 3920.5900 are not correct. They stated that the value determined for China origin "other brands" is USD 2.03 per Kg, which is much lower than the actual C&F prices that range from USD 3.00 to USD 3.50 per Kg which can be verified through various international suppliers and local market survey. Similarly, the values determined for all remaining regions and brands in the ruling are also on lower side. Moreover, the impugned VR does not determine any Customs value for modified Counter Top Sheet/Solid Surface Sheet, thickness 6mm to 12mm, classified under heading 3920.6390 and 3920.6900. They requested for upward revision in the table against the entries of Counter Top Sheet/Solid Surface Sheet of **acrylic polymers**, thickness 6mm to 12mm, classified under heading 3920.5900, against all origins. The benchmark price for "other brands" of China origin should be USD 3.00 and add a separate table for **modified** Counter Top Sheet/Solid Surface Sheet, thickness 6mm to 12mm, classified under heading **3920.6390 and 3920.6900** and fix the value of **USD 2.57** per Kg for "other brands" of China origin. Similarly, the values against all brands and all origins should also be determined accordingly.

4. M/s DuPont Pakistan Operations Pvt. Ltd. Contended that DuPont brand Corian® is placed as benchmark for determination of value vis-à-vis other global brands like LG Hi-Max®, Lotte Staron® & Hyundai Hanex® etc. However, the Petitioner's product has been priced 15% on higher than other global Brands without any reasoning, or material, or justification, and solely based on assumptions, and unverified information. They submitted that the global market of the acrylic polymer products is highly saturated to the effect that even 1-2% price margins are extremely competitive. They further submitted that this pricing i.e.15% higher than its competitors will cripple Petitioner's competitiveness vis-à-vis other global brands i.e. LG,

Samsung, Lotte, Hanex etc. in the local market. They stated that the local manufacturer, on whose apparent representation the exercise of valuation was carried out, does not produce Acrylic polymer products but Acrylic Modified polyester resin products which are very cheaper in price than Pure Acrylic products produced by Global brands. On the other hand, the said local manufacturer imports the pure acrylic products from Korea and China via its sister concern Finceria Pvt Limited brands i.e. (Korea: Hanex®; China: Koris®) for past many years on \$0.5/KG and now claiming to set revised prices based on product which they are not producing locally. This aspect has gone unnoticed, while passing the Ruling under Revision. They further contended that all other importers follow the same path and clear their Acrylic Polymer shipments on \$0.5/Kg for several years. The petitioner on the other hand from start always imports on fair market value and this can be verified from the past records of Acrylic polymer imports of our brand Corian®. They suggested that all Global brands be placed under the same price valuation regime irrespective of their origin as DuPont has Acrylic & Polyester sheet plants in multiple regions i.e. (USA, Korea, Japan, and China) and confirm that there is no price difference based on country of origin except China. All Acrylic Polymer material coming from China be placed in one category.



The representative of M/s H.S Engineering Services contended that respondent department determined the Customs values regarding counter top sheet/solid surface sheet of acrylic polymers of PCT 3920.5100 and 3920.5900 ranging from US\$2.03/kg to US\$2.70 whereas, the actual value ranges between US\$ 1.18/kg to US\$ 1.58/kg. They contended that the values have been fixed arbitrarily and much on high side without any legal basis. They further stated that this is a process industry and no high tech manufacturing is involved. The cost of mixing, compounding, cutting and polishing is 8-10% of the value of raw material. The values are fixed much on higher side. The impugned determination of values and impugned Valuation Ruling dated 22-07-2022 are arbitrary, illegal and without jurisdiction and of no legal effect as the values have been determined on the basis of prices obtained through internet sources from some websites of suppliers of Respondent's choice which is neither permissible nor prescribed in any valuation method prescribed under Section 25 nor in any valuation rule of Customs Rules, 2001, therefore, the impugned Valuation Ruling is ab-initio void, arbitrary, illegal and without jurisdiction and of no legal effect.

6. On the other hand, the departmental representative (DR) explained that representation was received from local manufacturer that Counter Top Sheets/ Solid Surface Sheets are being imported and cleared at lower values. In addition thereto, lack of uniformity of assessments at different Collectorates, were also pointed out. In view of the foregoing, an exercise was initiated to determine Customs values of the subject goods in terms of Section 25A of the Customs Act, 1969. Meetings with all stakeholders were held on 18-01-2022 and 04-07-2022. The stakeholders were requested to submit their proposals/suggestions so that Customs value could be determined. The meetings were attended by the stakeholders including the manufacturer and importers. It was

pointed out that the Customs values of the subject goods are on a higher side in the international market, therefore, the Customs values of aforesaid goods may be determined accordingly. The views of the stakeholders were heard in detail and they were requested to submit the relevant import documents and evidences in order to substantiate their contention and to arrive at the Customs values of subject goods. However, after exhausting and examining all the valuation methods as envisaged under Section 25 of the Customs Act, 1969, and analyzing and evaluating the whole information so gathered, finally, reliance had to be made on sub-Section (9) of Section 25 of the Customs Act, 1969, to determine the Customs values of subject goods and notified under Section 25A of the Customs Act, 1969, for uniform assessment across the country vide Valuation Ruling No.1679 / 2022 dated 22-07-2022 accordingly.

7. Following the petitioners' arguments and scrutiny of the case record, it is apparent that with a view to satisfy the precept of Natural Justice, the department sought to consult the relevant stakeholders and meetings were held on 18-01-2022 and 04-07-2022 while issuing the impugned Valuation Ruling. Moreover, the explanation of DR and facts of the case elaborated, the departmental recourse to determine the Customs values in terms of Section 25 and 25A of the Customs Act, 1969 has been conducted within the legal domain of the ibid Act. Hence, I, therefore, find no reason to interfere with impugned Valuation Ruling No.1679/2022 dated 22-07-2022. The petitions being devoid of any merit and legal contents are hereby rejected accordingly.


(Gul Rehman)
Director General

Registered Copy to:

M/s Prisma Tech Pvt. Ltd.
93-CCA, Block-DD, Phase-4, DHA, Lahore

M/s DuPont Pak. Operations Pvt. Ltd.
5th floor, Citi Tower, 33-A, Block-6, PECHS,
Main Shahrah-e-Faisal, Karachi

M/s H.S Engineering Services
H.S Tower, 27-Empress Road, Lahore.

Copy to:

- 1) The Member Customs (Policy/Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Intelligence and Investigation (Customs)-FBR, Islamabad.
- 3) The Director General (Reforms & Automation Customs)-FBR, Islamabad.
- 4) The Director General, PCA & Internal Audit, Islamabad
- 5) The Director General, IOCO, Custom House, Karachi.

- 6) The Director General, Transit Trade, Custom House, Karachi.
- 7) The Chief Collector of Customs (North), Custom House, Islamabad.
- 8) The Chief Collector of Customs Enforcement (Central), Custom House, Lahore.
- 9) The Chief Collector of Customs Appraisement, (Central), Custom House, Lahore.
- 10) The Chief Collector of Customs, Baluchistan, Custom House, Quetta.
- 11) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 12) The Chief Collector of Customs, Appraisement (South), Custom House, Karachi.
- 13) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 14) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad.
- 15) The Director, Directorate of Customs Valuation, Karachi / Lahore / Quetta / Peshawar.
- 16) The Collector of Customs, Collectorate of Customs, (Appraisement - West / Appraisement - East / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad / (Appraisement / Enforcement), Quetta / Gwadar / (Appraisement / Enforcement / AIIA), Lahore / Appraisement, Faisalabad / Appraisement, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit -Baltistan / (Appraisement / Enforcement), Peshawar / Exports (Port Muhammad Bin Qasim / Custom House), Karachi.
- 17) The Secretary (Valuation & Audit), Federal Board of Revenue, Islamabad.
- 18) All Additional Directors / Deputy Directors / Assistant Directors of Customs Valuation, Karachi
- 19) Assistant Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEOC Database System.
- 20) Guard File.

