



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS (VALUATION)
7TH FLOOR, CUSTOM HOUSE, KARACHI

The Collectors of Customs, Collectorates 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 PU/ PVC COATED FABRIC, TEXTILE LINING MATERIAL FABRIC AND TEXTILE INVISIBLE COATED LINING MATERIAL FABRIC UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

(VALUATION RULING NO. **1730** / 2023)

No.Misc/06/2020-IV/0071

Dated: 18-01-2023

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs value of PU/ PVC Coated Fabric, Textile Lining Material Fabric and Textile Invisible Coated Lining Material Fabric is determined as follows:

2. **Background of the valuation issue:** Earlier, the Customs values of PU/ PVC Coated Fabric, Textile Lining Material Fabric and Textile Invisible Coated Lining Material Fabric were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1450/2020 dated 04.06.2020. Since the Valuation Ruling was more than 02 years old, the existing Customs values were not reflective of prevailing international market. Accordingly, an exercise was initiated by this Directorate to re-determine Customs values of PU/ PVC Coated Fabric, Textile Lining Material Fabric and Textile Invisible Coated Lining Material Fabric under Section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs values:** Meetings were convened on 06.12.2022 and 15.12.2022 which were attended by all the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meetings.

4. **Analysis / Exercise done to determine Customs Values:** Representative of M/s. Karachi Textile lining material contended that Customs value of Textile Lining material fabric is much lower as compared to existing Valuation Ruling. Due to this unjustifiable value, import through proper channel has decreased abruptly for last 02 years and around 90 percent business of Textile Lining Material Fabric has diverted towards smuggling. He also emphasizes that prices of this material may please be revised downward as per actual ITP and also submitted proposals for the Customs values of Textile lining material. Ninety (90) days clearance data has been retrieved and same has been scrutinized. Subsequently, Market inquiry



has been conducted in light of this Directorate's Order no. 17/2014 dated 19.03.2014 and in terms of Section 25(7) of the Customs Act, 1969.

5. **Method (s) adopted to determine Customs values:** Valuation methods specified in Section 25 of the Customs Act, 1969, were duly applied in their sequential order to arrive at the 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 due to absence of information as required under sub-section (2) of Section 25 of Customs Act, 1969. Therefore, identical/similar goods value methods provided in Section 25(5) & (6) ibid were examined for applicability to determine Customs value of subject goods. The data provided some reference; however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidences of quantities and qualities and variation in declaration. Information available was, hence, found incomplete. In line with statutory sequential order of Section 25 of the Customs Act, 1969, this Directorate conducted market survey under sub-section (7) of Section 25 of the Customs Act, 1969. Various Retail markets were visited to observe the actual prices of PU/ PVC Coated Fabric, Textile Lining Material Fabric and Textile Invisible Coated Lining Material Fabric. On the basis of available data/information collected and exercise conducted, the value of PU/ PVC Coated Fabric, Textile Lining Material Fabric and Textile Invisible Coated Lining Material Fabric has been determined under sub-section (7), read with Section 25 (9), of Section 25 of the Customs Act, 1969.

6. **Customs values of PU/ PVC Coated Fabric, Textile Lining Material Fabric and Textile Invisible Coated Lining Material Fabrics,** hereinafter specified shall be assessed to duty / taxes at the Customs value as per the following Table.

| S.No | Description | Origin | PCT Code | Proposed PCT for WeBOC | Customs Values C& F (US\$/KG) |
|------|---|-------------------------------------|-----------|------------------------|-------------------------------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| 1 | PVC Coated Fabric | China / Taiwan | 5903.1000 | 5903.1000.1000 | 2.40 |
| | | Korea / Japan / Thailand & Far East | | 5903.1000.1100 | 2.55 |
| | | U.K / U.S.A | | 5903.1000.1200 | 2.85 |
| 2 | PU Coated Fabric (Artificial Leather Woven) | China / Taiwan | 5903.2000 | 5903.2000.1000 | 3.80 |
| | | Korea / Japan / Thailand & Far East | | 5903.2000.1100 | 3.85 |
| | | U.K / U.S.A | | 5903.2000.1200 | 4.75 |