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**DETERMINATION OF CUSTOMS VALUES OF WOVEN/KNITTED  
FURNISHING FABRIC FOR SOFA AND CURTAIN, AND COATED  
/SUEDE/FLOCKING FABRIC UNDER SECTION 25-A OF THE CUSTOMS  
ACT, 1969**

(VALUATION RULING NO. 1829 / 2023)

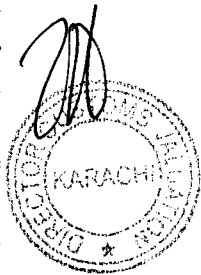
No. Misc/ 11/2012-IV/ /1094

Dated: 01-12-2023

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Woven/Knitted Furnishing Fabric for Sofa and Curtain, and Coated/Suede/Flocking Fabric are determined as follows:

2. **Background of the valuation issue:** Earlier, the Customs values of Woven/Knitted Furnishing Fabric for Sofa and Curtain, and Coated/Suede/Flocking Fabric were determined vide Valuation Ruling No.1454/2020 dated 24.06.2020. The Directorate General of Customs Valuation, Karachi received representations from stakeholders for revision of the Valuation Ruling in light of changed prices of subject goods in international market. Therefore, an exercise was undertaken by this Directorate to revise the same according to the current price trends prevailing in the international market.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were held on 24.06.2023 and 04.08.2023 which were attended by the relevant stakeholders. Issues pertaining to the valuation of subject goods were deliberated upon in detail in aforementioned meetings. The importers argued that the Customs Values of Woven/Knitted Furnishing Fabric for Sofa and Curtain, and Coated/Suede/Flocking Fabric determined vide previous Valuation Ruling of subject goods were exorbitantly high which were not acceptable by the importers. They contended that these high values have also played a role in incentivizing smuggling, severely affecting the legitimate import. Moreover, they stressed upon adding some categories of subject goods which were missing in previous Valuation Rulings e.g. knitted pile fabric, woven jute fabric and polyester blended velvet fabric. They further opined that their declared values are actual transactional values, therefore, should be considered for determination of Customs Values. They argued that downward trend in the prices of constituent materials of subject goods in recent times should also be considered for re-determination of Customs Values thereof. All the stakeholders were requested to submit their import documents (Invoices, Copies of Contracts made / L.Cs, Copies of Sales Tax Invoices) corroborating their stance for further scrutiny.

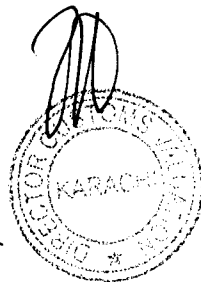


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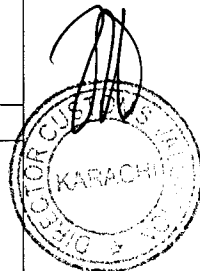
4. **Analysis/ Exercise done to arrive at Customs Value:** The aforementioned viewpoints of importers have been analyzed in detail. Import documents and the relevant data are also thoroughly examined. Moreover, import data of the subject goods for three years before and after issuance of previous valuation ruling are compared with Afghan Transit Trade data for the same periods. After thorough analysis, it transpired that the import value of the subject goods decreased from US\$ 213.18 million during FY 2017-20 to US\$ 128.9 million during FY 2020-23. Contrary to that, value of Afghan Transit trade increased from US\$ 329.29 million to US\$ 688.5 million during the same period. Further analysis also indicated a decreasing trend in freight as well as in the prices of constituent material of subject goods i.e. Polyester Filament Yarn since the issuance of previous valuation ruling. All the aforementioned aspects have been taken into consideration in order to arrive at Customs values of Woven/Knitted Furnishing Fabric for Sofa and Curtain, and Coated/Suede/Flocking Fabric.

5. **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in 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 due to absence of additional information under sub-section (2) of Section 25 of the Customs Act, 1969 required to arrive at correct transaction value. Moreover, different values were declared by different importers for same product. Identical goods value method provided in Section 25 (5) of the Act *ibid* was 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. Subsequently, Similar goods value method provided in Section 25 (6) of the Act *ibid* was examined for applicability but was found inapplicable problems observed in data as mentioned above for identical goods value method. In line with statutory sequential order of Section 25 of the act *ibid*, sub-section (7) of Section 25 of the Customs Act, 1969 was considered and found inapplicable as the prices of Woven/Knitted Furnishing Fabric for Sofa and Curtain, and Coated/Suede/Flocking Fabric in the market varied significantly and were dependent on quality/design of the goods and the location of the selling points or shops in the city. Consequently, keeping in view the constituent material cost and the allied factors, Computed Value method as provided under Section 25(8) of the Customs Act, 1969 has been applied to arrive at Customs values of Woven/Knitted Furnishing Fabric for Sofa and Curtain, and Coated/Suede/Flocking Fabric.

6. **Customs values of Woven/Knitted Furnishing Fabric for Sofa and Curtain, and Coated/Suede/Flocking Fabric:-** The Woven/Knitted Furnishing Fabric for Sofa and Curtain, and Coated/Suede/Flocking Fabric of various origins *hereinafter specified* shall be assessed to duty / taxes at the Customs values mentioned against them in the Table below:



SR. No	Description of Goods	PCT Heading	Proposed PCT Heading for WEOC	Origin	Customs Values (C & F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Woven Furnishing fabric for Sofa and Curtains (Polyester Blended including Jacquard / Chenille/Velvet)	5514.2100	5514.2100.1000	China / Bangladesh	6.65
		5514.2200	5514.2200.1000		
		5514.2300	5514.2300.1000		
		5514.2900	5514.2900.1000		
		5514.3010	5514.3010.1000		
		5514.3090	5514.3090.1000	U.A.E/ Indonesia/ Malaysia / Thailand /Vietnam / Korea / Turkey	7.50
		5514.4100	5514.4100.1000		
		5514.4200	5514.4200.1000		
		5514.4300	5514.4300.1000		
		5514.4900	5514.4900.1000		
		5515.1190	5515.1190.1000		
		5515.1290	5515.1290.1000		
		5515.1900	5515.1900.1000		
		5515.2190	5515.2190.1000	Europe/ U.S.A/ Canada	9.20
		5515.2990	5515.2990.1000		
		5515.9190	5515.9190.1000		
		5515.9990	5515.9990.1000		
2	Woven Furnishing fabric for Sofa and Curtains (Polyester Blended: Jute Type)	5516.2200	5516.2200.1000	China / Bangladesh	5.40
		5516.2300	5516.2300.1000		
		5516.2400	5516.2400.1000		
		5516.4100	5516.4100.1000	U.A.E/ Indonesia/ Malaysia / Thailand /Vietnam / Korea / Turkey	6.10
		5516.4200	5516.4200.1000		
		5516.4300	5516.4300.1000		
		5516.4400	5516.4400.1000		
		5516.9100	5516.9100.1000		
		5516.9200	5516.9200.1000		
		5516.9300	5516.9300.1000		
		5516.9400	5516.9400.1000		
		5801.3100	5801.3100.1000		
		5801.3200	5801.3200.1000		
		5801.3300	5801.3300.1000	Europe/ U.S.A/ Canada	7.40
		5801.3600	5801.3600.1000		
		5801.3700	5801.3700.1000		
		5801.9000	5801.9000.1000		
		5804.2100	5804.2100.1000		
		5804.2900	5804.2900.1000		
3	Woven Furnishing fabric for Sofa and Curtains (Cotton Blended)	5211.1100	5211.1100.1000	China / Bangladesh	8.00
		5211.1200	5211.1200.1000		
		5211.1900	5211.1900.1000	U.A.E/ Indonesia/ Malaysia / Thailand /Vietnam / Korea / Turkey	9.00
		5211.2000	5211.2000.1000		
		5211.3100	5211.3100.1000		
		5211.3900	5211.3900.1000		
		5211.4900	5211.4900.1000	Europe/ U.S.A/ Canada	14.70
		5211.5100	5211.5100.1000		
		5211.5900	5211.5900.1000		



4	Woven Furnishing fabric for Sofa and Curtains (Silk Blended)	5007.1000 5007.2000 5007.9000	5007.1000.1000 5007.2000.1000 5007.9000.1000	China / Bangladesh	32.40
				U.A.E/ Indonesia/ Malaysia / Thailand /Vietnam / Korea / Turkey	37.20
				Europe/ U.S.A/ Canada	45.40
5	Woven Furnishing fabric for Sofa and Curtains (Linen Blended)	5309.1100 5309.1900 5309.2100 5309.2900	5309.1100.1000 5309.1900.1000 5309.2100.1000 5309.2900.1000	China / Bangladesh	9.50
				U.A.E/ Indonesia/ Malaysia / Thailand /Vietnam / Korea / Turkey	11.00
				Europe/ U.S.A/ Canada	13.40
6	Woven Furnishing fabric for Sofa and Curtains (Viscose Blended)	5408.1000 5408.2200 5408.2400 5516.1100 5516.1200 5516.1300 5516.1400	5408.1000.1000 5408.2200.1000 5408.2400.1000 5516.1100.1000 5516.1200.1000 5516.1300.1000 5516.1400.1000	China / Bangladesh	12.75
				U.A.E/ Indonesia/ Malaysia / Thailand /Vietnam / Korea / Turkey	16.34
				Europe/ U.S.A/ Canada	19.70
7	Woven Furnishing Fabric for Sofa and Curtains (Cotton / Viscose / Silk Blended) (Chenille / Velvet)	5801.2600 5801.2700 5801.3100 5801.3200 5801.3300 5801.3600 5801.3700 5801.9000 5804.2100 5804.2900	5801.2600.1000 5801.2700.1000 5801.3100.2000 5801.3200.2000 5801.3300.2000 5801.3600.2000 5801.3700.2000 5801.9000.2000 5804.2100.2000 5804.2900.2000	China / Bangladesh	10.75
				U.A.E/ Indonesia/ Malaysia / Thailand /Vietnam / Korea / Turkey	12.35
				Europe/ U.S.A/ Canada	20.12
8	Knitted Furnishing Fabric for Sofa and Curtains (Polyester Knitted Pile Fabric)	6001.2290 6001.2990 6001.9210 6001.9990	6001.2290.1000 6001.2990.1000 6001.9210.1000 6001.9990.1000	China / Bangladesh	3.75
				U.A.E/ Indonesia/ Malaysia / Thailand /Vietnam / Korea / Turkey	4.70
				Europe/ U.S.A/ Canada	7.50
9	Knitted/Coated, Flocking/Suede Fabric (Plain)	5903.9000	5903.9000.1000	China / Bangladesh	4.32
				U.A.E/ Indonesia/ Malaysia / Thailand /Vietnam / Korea / Turkey	5.40
				Europe/ U.S.A/ Canada	8.64
10	Knitted / Coated, Flocking / Suede Fabric (Printed / Embossed / Designed)	5903.9000	5903.9000.1000	China / Bangladesh	4.80
				U.A.E/ Indonesia/ Malaysia / Thailand /Vietnam/ Korea /Turkey	5.48
				Europe/ U.S.A/ Canada	9.60

Note: Catalogues / samples of each category shall also be assessed as per values given in column(6)

7. In cases, where declared values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of proviso of sub-section (1)

of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officers shall take into account the difference between air freight and sea freight while applying the Customs values in this Ruling.

8. **Validity of this Valuation Ruling:** This Ruling, containing the Customs values for assessment of subject imported goods, shall be applicable until and unless the same are rescinded or revised by the competent authority in terms of sub-section (4) of Section 25A of the Customs Act, 1969.

9. **Revision of the values determined vide this Valuation Ruling:** If aggrieved, a revision petition may be filed against this ruling as provided under Section 25D of the Customs Act, 1969, within 30 days from the date of its issuance, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.

10. The Collectors of Customs may kindly ensure that the values given in the Valuation Ruling, for the given description of goods, are applied by the concerning assessing officers / officials without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. The Customs values determined in the ruling are for the descriptions and specifications as mentioned in Para-6 of this Ruling. HS Codes are mentioned for illustrative purposes so that Valuation Ruling is made accessible to the assessing officers. The assessments shall be finalized on the basis of correct classifications after fulfilling all formalities related to importability or other certifications required thereon.

11. ***This Ruling supersedes Valuation Ruling No.1454/2020 dated 24.06.2020.***

  
(Fayaz Rasool Maken)  
Director

Copy for information to:

1. The Member Customs (Operations), Federal Board of Revenue, 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, Baluchistan, Custom House, Quetta.
9. The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
10. The Director General, Intelligence and Investigation (Customs) FBR, Islamabad.
11. The Director General, PCA & Internal Audit, Karachi.
12. The Director General, IOCO, Karachi.
13. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
14. The Director, Transit Trade, Custom House, Karachi.
15. The Director, Directorate of Customs Valuation, Lahore/Quetta/Peshawar.
16. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.

17. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
18. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
19. The Karachi Customs Agents Association, Bohri Road, Karachi.
20. The Webmaster, Federal Board of Revenue, Islamabad.

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