



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



The Collectors of Customs, Collectorate of Customs (Appraisement -West / Appraisement -East / Appraisement -SAPT / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi /Hyderabad / (Appraisement / Enforcement),Quetta / Gawadar / (Appraisement / Enforcement / AIIA), Lahore / Appraisement, Faisalabad / Appraisement, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisement / Enforcement),Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim / Custom House Karachi) / Transit Trade, Karachi.

DETERMINATION OF CUSTOMS VALUES OF SYNTHETIC RESIN ADHESIVE (GLUE) UNDER SECTION 25A READ WITH PRIVISO TO SECTION 25A(1) OF THE CUSTOMS ACT, 1969

(PUBLICATION VALUATION RULING NO. 49 / 2024)

C. No. Misc/02/2024-II/675

Dated: 05-07-2024

In exercise of the powers conferred under Section 25A read with proviso to Section 25A(1) of the Customs Act, 1969, Custom values of Synthetic Resin Adhesive (Glue) are determined as follows:

2. **Background of the valuation issue:** Representation of M/s Samad Rubber Works Pvt Ltd was received vide Board's letter C. No. 3 (23)S(Val&Aud)/22 dated 22-02-2024; wherein, it was directed to conduct investigation into the undervaluation of Glue imported under PCT 3506.9190, accordingly the issue was taken up and an exercise was initiated by this Directorate to determine the custom values of the subject goods.

3. **Analysis / Exercise done to determine Customs values:** Meetings were convened on 28-05-2024 and 06-06-2024, which were attended by the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meetings. M/s Samad Rubber Works Pvt Ltd put forward evidences in support of their complaint received vide Board's latter C. No. 3 (23) S (Val&Aud)/22 dated 22-02-2024. The issue regarding the under valuation of UHU synthetic resin imported from Germany under PCT 3506.9190 by M/s Sethi International was deliberated upon in detail. On the basis of the price of the Polyvinyl Acetate and costs of other input materials and subsequent value addition, the finished product costs higher than the one being claimed/declared by M/s Sethi International. Therefore, value of Polyvinyl Acetate based synthetic resin (glues) under PCT code 3506.9190 needs to be determined. They submitted corroboratory documents including literature, TDS, and MSDS etc. Representatives of M/s Sethi International said that they are importing Synthetic Resin Adhesive (UHU) in finished form under PCT 3506.9190 in bulk which undergoes only packaging in Pakistan and no further value addition is carried out. Moreover, their product comprises of 32% to 35% PVA unlike the one being imported by M/s Samad Rubber Works Pvt Ltd in solid form comprising 100% Polyvinyl Acetate. Currently, their product doesn't fall under any of valuation rulings in field. Furthermore, M/s. Samad reiterated their stance and in support shared TDS issued by UHU

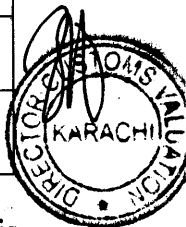


GmbH & co. elaborating technical specifications that the contented goods have chemical base of Polyvinyl acetate that is more than 40% along with solvent mixture of esters and alcohols. For this purpose, Ninety (90) days' data has also been retrieved and the same has been scrutinized. Subsequently, prices of the subject goods were also referred from QY Research Database which clearly mentioned prices of Global Synthetic Resin Adhesive by various Manufacturers from Europe, Asia-Pacific and other regions. Prices of Global manufacturers in general and German manufacturers in particular were also scrutinized.

4. **Method (s) adopted to determine Customs values:** The valuation methods specified in Section 25 of the Customs Act, 1969, are duly applied in sequential order to arrive at the Customs values of Subject goods. The transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was considered. In furtherance thereof, QY Industry Research Report on Global Synthetic Resin Adhesive (Glue) is also consulted in view of the proviso to Section 25A of the Customs Act, 1969. As the actual/transaction values are duly contained in the relevant QY Research Report for Global Synthetic Resin Adhesive (Glue) in terms of sub-section (1) of Section 25 *ibid*, the same method is applied, read with sub-section (2) of Section 25 *ibid* to make necessary additions/ adjustments, to arrive at the actual/ determined values. Finally, the Customs values of Synthetic Resin Adhesive (Glue) have been determined in terms of sub-section 1, read with Section 2 of Section 25, and the proviso to Section 25(A) of the Customs Act, 1969

5. **Customs Values for Synthetic Resin Adhesive - hereinafter specified** shall be assessed to duty / taxes at following Customs Values:

Sr. No.	Description of Goods	H.S Code	Proposed PCTs for WeBOC	Origin	Customs Values (C&F) US\$/Kg
1	Synthetic Resin Adhesive (Glue)	3506.9190	3506.9190.1000	Europe	2.60
		3506.9190	3506.9190.1100	Other Origins	2.50



6. 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 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.

7. **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.

8. **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, 7th Floor, Custom House, Karachi.

9. 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 concerned assessing officers / officials without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. The Customs values determined in this 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.



(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, Appraisalment (South), Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisalment (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 Director, 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 Group, Bohri Road, Karachi.
- 20) The Webmaster, Federal Board of Revenue, Islamabad.
- 21) Guard File.