

C. No. Misc/09/2012-II/1219

Dated: 20-11-2024

VALUATION RULING NO. 1918 / 2024

1. This ruling supersedes Valuation Ruling No. 1786/2023 dated 09-06-2023.
2. This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.
3. The revision petition against this Valuation Ruling, can be filed under Section 25D of the Customs Act, 1969, within 30 days before the Director General, Customs Valuation.
4. The values in valuation ruling shall be treated as minimum benchmark values and shall be applicable to the given description and specification of goods.

Subject: **DETERMINATION OF CUSTOMS VALUES OF REFRIGERATION GASES IN BULK & RETAIL PACKING UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

1.	Valuation Ruling	Redetermination / revision of values of earlier Valuation Ruling No. 1786/2023 dated 09.06.2023.
2.	Date of meeting with stakeholders	The meeting with relevant stakeholders was conducted on 06.07.2024

3. **Background of the Issue:** The customs values were determined vide Valuation Ruling No. 1786/2023 dated 09-06-2023 that was challenged before the Director General under Section 25D of the Customs Act, 1969. The Director General vide Order in Revision No. 48/2023 dated 22-08-2023 disposed of the instant revision petitions with the directions to the Director of Customs Valuation, Karachi to consider the claim of the petitioners in respect of goods imported in Bulk Packing i.e. ISO Tanks and the petitioners were advised to present their case before the Director (Valuation) along with evidences in support of their stance. Furthermore, several representations were received in this office. Therefore, an exercise was initiated by the Directorate for the determination of customs values of Refrigeration Gases in Bulk and Retail Packings.

4. **Analysis to determine Customs Values:** Meeting was convened on 06-07-2024, which were attended by the relevant stakeholders. The issue pertaining to the valuation of subject goods was deliberated upon in detail in the afore-referred meeting. The importers, Mr. Muhammad Ahmed. Mr. Muhammad Ali Shaikh, Mr. Tariq stated that they import the Refrigeration Gases in Bulk Packing i.e. ISO Tanks / Drums so a discount of Bulk Packing should be provided for assessment purpose. The chair asked to submit the requisite evidences and documents including Export GD's, Sales Tax Invoices & Sales Tax Returns in view of their contentions. The importers contended that Export GD's are not available with them and requested for a discount as the Bulk Packing ISO Tanks are returnable. Moreover, representative of M/s Delite stated that they import Refrigeration Gases in Retail Packing and that the values in existing Valuation Ruling are correct, hence, need not to be changed. Furthermore, the importers of Refrigeration Gases in Retail Packing also stated that currently some declared values are higher than the existing VR values. On a query from the department regarding origins, it was informed by the importers that they also import the subject item mainly from USA in retail packing i.e. Disposable Cylinders. The participants were requested to provide written arguments,

PLEASE CIRCULATE


MANSOOR ALI
(General Secretary)
Karachi Customs Agents Association



literature and other relevant documents i.e. Export GD's, Sales Tax Invoices & Sales Tax Returns before the Directorate in support of their contentions in order to finalize the same.

4. **Analysis / Exercise done to determine Customs values:** The importers contentions were duly examined. For the determination of customs values of subject goods, Ninety (90) days' data was retrieved and the same was thoroughly scrutinized which reveals that the goods are already being assessed on Net Content basis. Several references of higher declared values were also available. Subsequently, market inquiry has been conducted and examined in the light of this Directorate's Office 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, are duly considered 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 found inapplicable due to absence of information as required under sub-section (2) of Section 25 of Customs Act, 1969. Therefore, identical goods value method provided in Section 25(5) was examined for applicability to determine Customs values of subject goods. However, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidences of quantities and qualities. Information available was, hence, found incomplete. Subsequently, similar goods value method provided in Section 25(6) was also examined for applicability to determine Customs values of subject goods and was not considered (for application) due to afore-stated reasons. Moreover, Declared Values (DV) of similar goods had showed consistent variations. Hence, this method was also found inapplicable. Market enquiry as envisaged under Sub section (7) of Section 25 of the Customs Act, 1969 was also conducted but did not yield tangible results because of variation in market prices. In line with statutory sequential order of section 25, Computed value method, as provided in Section 25(8) of the Customs Act, 1969 was examined, but the same also could not be applied as the conversion cost from the constituent materials and allied expenses, in the country of export, were not available for manufacturing of the said goods. Finally, the Customs values of the subject goods have been determined under Section 25(9) and Customs Rule 121(2) of Customs Rules, 2001 which provides that the methods of valuation, to be employed under sub-section (9) of section 25 of the Act may be inclusive of those laid down in sub-sections (1), (5), (6), (7) and (8) of the said section, but a reasonable flexibility in the application of such methods would be in conformity with the aims and provisions of sub-section (9) of that section.

6. **Customs Values for Refrigeration Gases in Bulk and Retail Packing - hereinafter specified** shall be assessed to duty / taxes at following Customs Values:

Sr. No.	Description of Goods	Origin	PCT	Proposed PCT's for WeBOC	Customs Values C&F (USD/Kg) (Net Content in Retail Packing)
1	2	3	4	5	6
1	R22 (Chlorodifluoromethane)	China	2903.7100	2903.7100.1000	2.90
		USA / Europe		2903.7100.1100	5.80
		Other Origins		2903.7100.1200	4.35
2	R134A (1,1,1,2-Tetrafluoroethane)	China	2903.4500	2903.4500.1100	4.06
		USA / Europe		2903.4500.1200	8.12
		Other Origins		2903.4500.1300	6.09
3	R141B (Dichlorofluoroethane)	China	2903.7300	2903.7300.1000	3.07
		USA / Europe		2903.7300.1100	6.14
		Other Origins		2903.7300.1200	4.61



4	R600A (Isobutane)	China	2901.1010	2901.1010.1000	2.63
		USA / Europe		2901.1010.1100	5.26
		Other Origins		2901.1010.1200	3.95
5	R290 (Propane)	China	2711.1200	2711.1200.1000	3.30
		USA / Europe		2711.1200.1100	6.60
		Other Origins		2711.1200.1200	4.95
6	R32 (Dichlorofluoromethane)	China	2903.4200	2903.4200.1000	3.49
		USA / Europe		2903.4200.1100	6.98
		Other Origins		2903.4200.1200	5.24
7	R125 (Pentafluoroethane)	China	2903.4400	2903.4400.1000	3.52
		USA / Europe		2903.4400.1100	7.04
		Other Origins		2903.4400.1200	5.28
8	R404A (Trifluoroethane/ Pentafluoroethane/ 1,1,1- Trifluoroethane)	China	3827.6100 3827.6300 3827.6400 3827.6500 3827.6900	3827.6100.1000	3.89
				3827.6300.1000	
				3827.6400.1000	
				3827.6500.1000	
				3827.6900.1000	
		USA / Europe		3827.6100.1100	7.78
				3827.6300.1100	
				3827.6400.1100	
				3827.6500.1100	
Other Origins	3827.6900.1100	5.84			
	3827.6100.1200				
9	R407C (Difluoromethane/1,1,1,2- Tetrafluoroethane)	China	3827.6100 3827.6300 3827.6400 3827.6500 3827.6900	3827.6100.1300	3.78
				3827.6300.1400	
				3827.6400.1400	
				3827.6500.1400	
				3827.6900.1400	
		USA / Europe		3827.6100.1500	7.56
				3827.6300.1500	
				3827.6400.1500	
				3827.6500.1500	
Other Origins	3827.6900.1500	5.67			
	3827.6100.1600				
10	R410A (Difluoromethane / Pentafluoroethane)	China	3827.6100 3827.6300 3827.6400 3827.6500 3827.6900	3827.6100.1700	3.24
				3827.6300.1700	
				3827.6400.1700	
				3827.6500.1700	
				3827.6900.1700	
		USA / Europe		3827.6100.1800	6.48
				3827.6300.1800	
				3827.6400.1800	
				3827.6500.1800	
		Other Origins		3827.6900.1800	4.86
				3827.6100.1900	
				3827.6300.1900	
				3827.6400.1900	
				3827.6500.1900	
				3827.6900.1900	

Note: In case the subject goods are imported in Bulk i.e. returnable ISO Tanks, US\$ 0.26/Kg should be subtracted for assessment purpose from the aforementioned determined values.

6. In cases, where declared values or values in invoice retrieved from the consignment, as the case may be, are higher than the customs values determined in this valuation ruling, the assessment shall be made on higher values in terms of sub-section (1) of Section 25 of the Customs Act, 1969.



7. The values determined in this VR shall be treated as minimum benchmark values and do not bar the collectorate from applying from the higher transaction values of identical or similar goods available in 90 days for the assessment of goods.
8. In case of consignments imported by air, the difference between air freight and sea freight shall be added for the assessment of value.
9. The VR shall be applicable for the descriptions and specifications of goods as mentioned in the aforementioned table. HS Codes are mentioned for illustrative purposes.
10. The Collectorates of customs shall ensure the implementation of VR and any anomaly, if found, may be brought to the notice of this Directorate immediately.


(Dr. Tahir Qureshi)
Director

Copy for necessary action and implementation:

The Collectors / Directors of Customs, Collectorates / Directorates of Customs (Appraisalment-West / East / SAPT / PMBQ / JIAP / Enforcement), Karachi / Hyderabad / (Appraisalment / Enforcement / Ports), Quetta / Gwadar / Khuzdar (Appraisalment / Enforcement / AIIA), (Appraisalment-East / West, Lahore / Faisalabad Appraisalment / Enforcement, Sargodha / Enforcement & Appraisalment, Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisalment/ Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim/Custom House, Karachi) / Transit Trade, Karachi.

Copy for information:

- 1) The Member Customs (Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) All Chief Collectors / Director Generals of Customs, Karachi / Lahore / Islamabad / Quetta / Peshawar.
- 4) All Collectors / Directors of Customs, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 5) The Director, Directorate of Customs Valuation, Lahore / Quetta / Peshawar.
- 6) The Deputy Director (MIS), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 7) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 8) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 9) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 10) The Webmaster, Federal Board of Revenue, Islamabad.
- 11) Guard File.