



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorates, Appraisement (East / West) / Port Qasim / Preventive, Karachi / Lahore (Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

Determination of Customs Values of Abrasive products under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 962 / 2016)

No. Misc/19/2010-V

Dated: November 11, 2016

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Abrasive Products are determined as follows: -

2. **Background of the valuation issue:** Customs values of Abrasive products were determined vide Valuation Ruling No.698/2014, dated 06-11-2014. Certain importers have approached this Directorate General with the request to revise the Ruling being more than two years old. Therefore, in order to rationalize the values, keeping in view the international price trend of the subject goods, an exercise was under taken by this Directorate General, to determine the customs values of Abrasive Products in terms of section 25A of the Customs Acts, 1969.

3. **Stakeholders' participation in determination of Customs values:** Stakeholders' meeting was held on 09-11-2016. The participants had been requested to furnish the following documents before or during the stakeholders' meeting: -

- (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 the value of item in question,
- (iv) Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

4. The requisite documents were not submitted by any of the participants. However, arguments were put forward by the manufactures M/s Falcon Abrasive (Pvt) Limited and the importers. The manufactures contended that the values in the previous valuation ruling were already determined on lower side as compared with the prices prevalent in the international market. The importers, on the other hand argued that values of all items especially 'abrasive latex paper sheet / roll' were too high and not reflective of international prices.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed. Transaction value method provided in Section 25 (1) was found inapplicable because the requisite information was not available as per law. Identical similar goods value methods provided in Section 25(5) & (6) were also not found helpful in



determination of values due to wide variation in values. Consequently, market enquiries as envisaged under Section 25(7) of the Customs Act, 1969, were conducted but could not be solely relied on due to significant differences in prices according to selling points and markets. Online values were also checked. Since the manufacturers' costs and raw material prices of producing the goods in question in the country of exportation were not available, computed value method as provided in Section 25(8) could not be applied for valuation of the aforesaid goods. Consequently, reliance was placed upon Sub-Section (9) of Section 25 of the Customs Act, 1969, and customs values of Abrasive products were determined under Section 25(9) of the Customs Act, 1969.

6. **Customs values for Abrasive Products hereinafter specified** shall be assessed to duty / taxes at the following Customs Values :-

S. No	Description	PCT	Proposed PCT for WeBOC	Origin	Customs values C&F (US\$/Kg)
1	2	3	4	5	6
1	Abrasive fiber/ Paper Disc	6805.2000	6805.2000.1000	China	4.35
			6805.2000.1100	Korea	4.60
			6805.2000.1200	Europe	5.40
2	Abrasive Fiber/Paper Roll	6805.2000	6805.2000.1300	China	3.10
			6805.2000.1400	Korea	3.50
			6805.2000.1500	Europe	3.90
3	Abrasive Cloth Sheet	6805.1000	6805.1000.1000	China	1.85
4	Abrasive Cloth Roll	6805.1000	6805.1000.1100	China	3.50
			6805.1000.1200	Korea	4.50
			6805.1000.1300	Europe	6.75
5	Abrasive Latex Paper Sheet/Roll	6805.3000	6805.3000.1000	China	3.00
6	Abrasive Kraft Paper Sheet /Roll	6805.2000	6805.2000.1600	China	1.70
			6805.2000.1700	Korea	2.0

7. In cases where declared/ transaction 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 officer shall take into account the air freight while applying the Customs values determined in this Ruling.

8. **Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

9. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided under Section 25-D of the Customs Act, 1969, within 30 days from the date of issue of this ruling, before the Director General, Directorate General of Customs Valuation, 7th 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 concerned staff without fail. Any anomaly observed may kindly be brought to the notice of this Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the table above of this Ruling. HS codes are mentioned for illustrative purposes so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue therein.

11. This Ruling supersedes Valuation Ruling No.698/2014 dated 06-11-2014.


(Dr. Wasif Ali Memon)
Director

Copy for information to :-

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisement), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting the Valuation Ruling No.698/2014, dated 06-11-2014.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisement, 1st Floor, Custom House, Karachi.
21. Guard File.

DESPATCHED BY

11-11-2016