



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE KARACHI

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

**DETERMINATION OF CUSTOMS VALUES OF CITRIC ACID**  
**UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969.**

No .Misc./062017-II

Dated: 20-01-2017

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(VALUATION RULING NO. 1015 / 2017)

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

2. **Background of the valuation issue:** The values of the Citric Acid for reference/guidance were earlier determined vide Valuation Data Base letter No.157 dated 12-01-2017. There were several representations from different importers/ traders and trade bodies i.e. Pakistan Chemicals and Dyes Merchants Association (PCDMA), for determination of customs value of the Citric Acid afresh. The importers have claimed that the prices of Citric Acid are showing down ward trend in the International market, hence an exercise was initiated to re-determine the values of Citric Acid.

3. **Stakeholders' participation in determination of Customs values:** Meeting with all the stakeholders including importers, trade bodies i.e. Pakistan Chemicals and Dyes Merchants Association (PCDMA) and representatives from clearance Collectorates, was held on 18.01.2017 to discuss the current international prices of the Citric Acid. The view point of all participants was heard in detail and considered to arrive at Customs value for Citric Acid.

4. **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their regular sequential order to address the particular valuation issue at hand. The transaction value method as provided in Sub-Section (1) of Section 25, found inapplicable in light of the wide variety of invoices submitted at import stage the veracity of which could not be ascertained fully, hence requisite information required under law was not available to arrive at the correct transaction value. Identical / similar goods value method provided vide Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to determine Customs value of subject goods, this data provided some references, however, it was found that the same cannot be solely relied upon due to the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc., and also it was observed that importers usually provided misleading description while declaring goods, as other





types and varieties of similar goods to avoid the application of valuation ruling. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969, however, it was found that the determination of Customs value could not be based solely upon this method either. Therefore, valuation method provided vide Section 25 (8) of Customs Act 1969, could not be applied as the conversion cost from constituent materials and allied expenses, at country of export were are not available. Finally, PRAL database, market information and international prices through Web were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject good. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive assessable customs values of the Citric Acid.

**5. Customs values for Citric Acid; Citric Acid *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values :-**

S. No.	Description	Origin	PCT	Proposed PCT for WEOC	Customs Values US\$/Kg(C&F)
(01)	(02)	(05)	(03)	(04)	(06)
01	Citric Acid Monohydrate	China	2918.1400	2918.1400.1000	0.75
02	Citric Acid Monohydrate pharmaceutical grade	China	2918.1400	2918.1400.1100	1.00
03	Citric Acid Anhydrous	China	2918.1400	2918.1400.1200	0.80
04	Citric Acid Anhydrous pharmaceutical grade	China	3920.4300	3920.4300.1300	1.03

6. 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 differential between air freight and sea freight while applying the Customs values determined in this Ruling. The Custom values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein. HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling request formalities relating to importability or other certifications required thereon.

**7. 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.

8. **Revision of the value determined vide this Valuation Ruling: This Valuation Ruling is appealable under the law and** a revision petition may be filed against this Ruling, 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, 7<sup>th</sup> Floor, Custom House, Karachi.

9. The Collectors of Customs may kindly ensure that the values given in the 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 Directorate General immediately.

10. *This Ruling supersedes Valuation Data Base letter No.157 dated 12-01-2017.*

  
(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), 1<sup>st</sup> 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 data base system and deleting data base letter No.157 dated 12-01-2017.
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, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi / MCC, Appraisement, 1<sup>st</sup> Floor, Custom House, Karachi.
21. Guard File.

  
(Dr. Wasif Ali Memon)  
Director