



GOVERNMENT OF PAKISTAN

DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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 Chemicals, Iso-Propyl Alcohol, N-Propanol, Cyclohexanone, Ethoxylated Nonyl Phenol, Iso-Butanol, N-Butanol and Phenol under Section 25-A of the Customs Act, 1969.

(VALUATION RULING NO. 1158 / 2017)

No.Misc/29/2012-II

Dated: 09 -05-2017

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Chemicals like Iso-Propyl Alcohol, N-Propanol, Cyclohexanone, Ethoxylated Nonyl Phenol, Iso-Butanol, N-Butanol and Phenol are determined as follows:

2. **Background of the valuation issue:** The custom values of the subject chemicals were determined vide Valuation Ruling No 920/2016 dated 29.8.2016. Since Customs values of item no 1 to 7 of the Valuation Ruling No 920/2016 dated 29.8.2016 was linked with applicable average ICIS Scan CRF prices, therefore there were several representations from importers, Clearance Collectorate and Pakistan Chemicals and Dyes Merchants Association (PCDMA), that ICIS Scan is not readily available to all therefore they requested to re-consider the linking of customs value of afore said items with ICIS Scan. They requested that it will appropriate to determine the applicable customs values a fresh. More over the importers have requested to revise the prices of subject chemicals in accordance with the prices in the International market. Since the existing valuation ruling is over eight months old, hence it is required to be revised in the light of honorable High Court of Sind, at Karachi's orders dated 10.11.2015 in Constitutional Petition No. D- 6918/2015. An exercise was therefore undertaken to re-determine the Customs Values of the subject Chemicals in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholder's participation in determination of Customs values:** Meeting with stakeholders i.e. importers, Pakistan Chemicals and Dyes Merchants Association (PCDMA) and representatives from clearance Collectorates, was held on 12.04.2017 and 08.05.2017, to discuss the current international prices of the subject chemicals. The commercial importers stated that the prices of subject items are required to be de-linked from the ICIS Scan which was duly supported by the (PCDMA). Moreover, the importers requested that the customs



values of the subject chemicals may be determined for imports in drums packing, however adjustments may be made for imports in bulk Iso-Tanks or in Bulk-Vessels. The view point of all participants was heard in detail and considered to arrive at Customs value of the subject chemicals.

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, since the subject goods are not readily available in local market 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 ICIS Scan 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 Chemicals.

5. **Customs values for Isopropyl Alcohol, N-Propanol, Cyclohexanone, Ethoxylated Nonyl Phenol, Iso-Butanol, N-Butanol and Phenol;** The chemicals namely Isopropyl Alcohol, N-Propanol, Cyclohexanone, Ethoxylated Nonyl Phenol, Iso-Butanol, N-Butanol and Phenol *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values : -



S. No.	Description of goods	PCT	Proposed PCT for WBOC	Origin	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Isopropyl Alcohol 99% & above	2905.1220	2905.1220.1000	All origin	1.20
2	Isopropyl Alcohol less than 99%.	2905.1220	2905.1220.1000	All origin	1.10
3	N-Propanol (All Grades)	2905.1210	2905.1210.1000	All origin	1.20
4	ISO-Butanol (All Grades)	2905.1400	2905.1400.1000	All origin	1.00
5	N-Butanol (All Grades)	2905.1300	2905.1300.1000	All origin	1.20
6	Cyclohexanone (All Grades)	2914.2200	2914.2200.1000	All origin	1.50
7	Ethoxylated Nonyl Phenol NP-9(All Brands including Pannox & Sinopol)	3402.1300	3402.1300.1000	All Origins except Russia	1.5
8	Ethoxylated Nonyl Phenol NP-9 (All Brands including Pannox & sinopol)	3402.1300	3402.1300.1100	Russia	1.4
9	Ethoxylated Nonyl Phenol NP-10 (All Brands including Pannox & sinopol)	3402.1300	3402.1300.1200	All Origins except Russia	1.55
10	Ethoxylated Nonyl Phenol NP-10 (All Brands including Pannox & sinopol)	3402.1300	3402.1300.1300	Russia	1.45
11	Phenol (All Grades)	2907.1100	2907.1100.1000	All Origins	1.30

Note: - The Customs Values determined above are for imports in drum packing. In case the goods are imported in Iso tanks then US\$100/ M.Ton and for bulk imports US\$200/ M. Ton may be deducted for assessment purpose from above mentioned Customs Values.



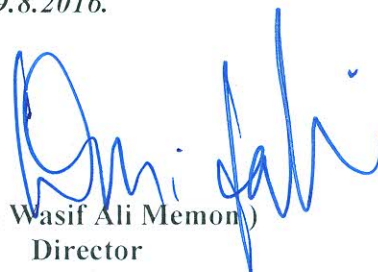
6. In cases where declared/ transaction values are higher than the Customs values determined in this Ruling, the assessing officers shall apply those values in terms of Sub-Section (1) of Section 25 of the Customs Act, 1969. In case of consignments imported by air, the assessing officer shall take into 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, 7th 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 Ruling No.920/2016 dated 29.8.2016.*


(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.