



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 Silicone di oxide and Iron oxide
under Section 25-A of the Customs Act, 1969.

(VALUATION RULING NO. 1151 / 2017)

No. Misc/ 27 /2017-II

11239

Dated: 04-05-2017

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Silicone di oxide and Iron oxide are determined as follows:

2. **Background of the valuation issue:** The items Silicone di oxide and Iron oxide are selected to determine the customs value under Section 25A of the Customs Act 1969, due to the reason that there is wide variation in declared and assessed values. The Customs values are required to be determined for uniform application across the board.
3. **Stakeholders' participation in determination of Customs values:** Meeting with the stakeholders including importers and Pakistan Chemicals and Dyes Merchants Association (PCDMA) and representatives from clearance Collectorates, was scheduled on 29.03.2017 and 12.04.2017 but no one appeared on the scheduled dates to discuss the current international prices of the subject items. Since clearance data shows that there is wide variation in declared and assessed values of subject items therefore an exercise was initiated to determine the values of Silicone di oxide and Iron oxide.
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 items. 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 Silicone di oxide and Iron oxide.

5. **Customs values for Silicone di oxide and Iron oxide:** Silicone di oxide and Iron oxide, *hereinafter specified* shall be assessed to duty/taxes at the following Customs Values : -

S. No	Description of goods	PCT Code	Proposed PCT for WEOC	Origin	Customs Values (C&F) US\$/KG
1.	Silicone di oxide (excluding Pharmaceutical Grade)	2811.2200	2811.2200.1000	China/ India	1.10
		2811.2200	2811.2200.1100	Germany	1.70
2	Iron oxide Red.	2821.1010	2821.1010.1000	China	1.06




3	Iron oxide Yellow.	2821.1010	2821.1010.1100	China	1.30
4	Iron oxide Yellow Bay Ferro Grade.	2821.1010	2821.1010.1200	China	1.67

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 requisite 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.


 (Dr. Wasif Ali Memon)
 Director

Copy for information to: -

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.