



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 CUSTOM VALUES OF BOPET/ HOLOGRAPHIC & PET SEQUIN FILM UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. ¹²⁰⁴ /2017)

No. Misc/01/2007-II

¹¹⁷¹⁰

Dated: August. ²²2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of BOPET / Holographic & PET Sequin Film are determined as follows :-

2 **Background of the valuation issue:** Customs values of BOPET / Holographic & PET Sequin Film were earlier determined through Valuation Ruling No.876/2016, dated 23-06-2016. There were several representations from different traders and Flexible Packaging Association of Converters of Pakistan, for determination of customs value of BOPET Film a fresh. They claimed that the prices of BOPET Film are showing down ward trend in the International markets, hence existing valuation ruling, which is over one year old 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. Since 90 days have passed and a number of representations were received from commercial importers and Flexible Packaging Association of Converters of Pakistan regarding values determined in the valuation ruling dated 23.6.2016, hence an exercise was initiated to re-determine the values of subject items.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders and local manufactures were scheduled on 18.07.2017 and 08-08-2017, to discuss the current International prices of subject goods. The importers were asked to furnish the following documents/record before or during the meetings scheduled in this respect:-

- i) Invoices of import made during last three months showing factual value.
- ii) Websites, name 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 contract made/LCs opened during last three months showing the value of item in question.
- iv) Copies of sales tax paid 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 passes on to the local buyers.

The meetings were held on 18.07.2017 and 08-08-2017 which were attended by the stake holders. The commercial importers produced the copies of import documents however copies of requisite sales tax paid invoices were not produced by them. They verbally stated that



during last one year, prices of the subject items are showing down ward trend in the international markets. On the other hand the view point of local manufacturers was diagonally opposed to the commercial importers. The local manufacturer produced the copies of the shipping bills to substantiate their view point. The view point of all participants was heard in detail and considered to arrive at Customs value of BOPET / Holographic & PET Sequin Film.

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 BOPET / Holographic & PET Sequin Film. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive assessable customs values of BOPET / Holographic & PET Sequin Film.

5. **Customs values of BOPET / Holographic & PET Sequin Film:** Customs values of BOPET / Holographic & PET Sequin Film *hereinafter* shall be assessed to duty / taxes at the customs values mentioned below: -

S.No	Description of Goods	HS CODE	Proposed PCT for WeBOC	Origin	Customs Values (C&F)US\$/KG
(1)	(2)	(3)	(4)	(5)	(6)
01	PET Plain Uncoated	3920.6200	3920.6200.1000	China	1.80
				Other origins	1.85
02	PET Plain Chemical Coated	3920.6200	3920.6200.1100	China	2.00
				Other origins	2.05
03	PET Plain Twist	3920.6200	3920.6200.1200	China	2.20
				Other origins	2.25
04	PET Metalized Plain Uncoated	3920.6200	3920.6200.1300	China	2.25
				Other origins	2.30
05	PET Metalized Coated	3920.6200	3920.6200.1400	China	2.35
				Other origins	2.40



06	PET Coated Twisted	3920.6200	3920.6200.1500	China	2.35
				Other origins	2.40
07	PET Coated Twisted Metalized	3920.6200	3920.6200.1600	China	2.65
				Other origins	2.80
08	Holographic Film	3920.6200	3920.6200.1700	China	3.60
				Other origins	3.75
09	PET Sequin Film	3920.6200	3920.6200.1800	China	4.40
				Other origins	4.60

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.

10. *This ruling supersedes Valuation Ruling No.876/2016, dated 23-06-2016.*

(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 (Appraisalment), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.