



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/ Exports (Karachi/Port Qasim)/Directorate of Transit Trade, Karachi

Determination Of Customs Values of Latex Rubber Threads Under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1214 / 2017)

No.DG/VDB/REF/522016-III 11899

Dated: September 27, 2017.

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

2. **Background of the valuation issue:** The customs values of 'Latex Rubber Threads' were determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No.1019/2017 dated 24-01-2017. Some importers approached this Directorate General with the request that the existing Valuation Ruling needs revision in the light of Honourable High Court of Sindh, Karachi's judgment in C.P.No.6918/2015, dated 14-11-2015, read with Honourable Supreme Court of Pakistan's order, dated 04-08-2016, as the current prices have decreased in the international market. Hence, this Directorate General initiated an exercise for determination of customs values of the subject goods.

3. **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders were held on 12-09-2017 and 14-09-2017. The stakeholders were requested to furnish the following documents before or during the course of above said meeting:-

- A. Invoices of imports during last three months showing factual value.
- B. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- C. Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- D. 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 meetings were attended by different stakeholders. The local manufacturer was of the view that there is no decline/change in prices in the international market. However, the importers were of the view that downward trend in prices has occurred, but they could not submit any corroboratory documents in their support except international graphic representation of rubber values shown on internet website for the reference period, depicting slight downward trend.

5. **Method adopted to determine Customs values:** Valuation methods given in Section 25 of the Customs Act, 1969 were followed to arrive at customs value of Latex Rubber Threads. 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 examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods. Thereafter, market enquiry as envisaged under Section 25 (7) of the Customs Act, 1969, could not be conducted



because the subject goods are industrial item. Computed Value Method as provided in Section 25 (8) could not be applied for valuation of the aforementioned goods as the cost of raw material and fabrication charges under clause (a) and amount of profit and general expenses under clause (b) of Section 25 (8) of the Act, in the country of export, could not be ascertained. All the information so gathered was evaluated and analyzed for the purpose of determination of customs values and following values have been determined under Section 25 (9) of the Customs Act, 1969.

6. Customs Values of Latex Rubber Threads: Latex Rubber Threads, hereinafter specified, shall be assessed to duty/taxes at the following Customs Values :-

S. No	Description of goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) in US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Latex Rubber Threads (30 to 44 counts)	4007.0010 4007.0090	4007.0010.1000 4007.0090.1000	Malaysia/ Thailand	2.60
2.	Latex Rubber Threads (45 to 55 counts)		4007.0010.1100 4007.0090.1100		2.70
3.	Latex Rubber Threads (56 to 63 counts)		4007.0010.1200 4007.0090.1200		2.75
4.	Latex Rubber Threads (64 to 90 counts)		4007.0010.1300 4007.0090.1300		3.50

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 and the same may be communicated to this Directorate General forthwith. In case of consignments imported by air, the assessing officer shall take into account the element of air freight while assessing the goods.

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 this 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 Annexure to this Valuation 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 Valuation Ruling supersedes Valuation Ruling No.1019/2017, dated 24-01-2017.***


(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 (Appraisalment), 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 WeBOC database system and deleting ***Valuation Ruling No. 1019/2017, dated 24-01-2017.***
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & 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, Appraisalment (East/West), Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading at FBR website and deleting ***Valuation Ruling No. 1019/2017, dated 24-01-2017.***
22. Guard File.