



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 UPVC, CPVC, PPRC Pipes and Pipe Fittings
under Section 25-A of the Customs Act, 1969

No. Reg.Misc/19/2006-II/1220

Dated: February 16, 2018

(VALUATION RULING NO. 1259/2018)

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of UPVC, CPVC, PPRC Pipes and Pipe Fittings are determined as follows:

2. **Background of the Valuation Issue:** Earlier the Customs values of UPVC, CPVC, PPRC Pipes and Pipe Fittings were determined vide Valuation Ruling No. 1001/16 dated 28.12.2016. This Valuation Ruling along with Revision Order 349/2017 dated May 31, 2017 were set aside by the Customs Appellate Tribunal vide order No. K-695~698/2017 dated 15-9-2017. A reference against the said order has already been filed in the Honorable High Court. There were numerous representations from importers and local manufacturers for determination of customs value of subject items afresh on the basis of plastic raw material prices published by the Pakistan Plastic Manufacturers Association as well as imports data. M/s. All Pakistan PVC & Plastic Pipe Manufacturers Association has also submitted their proposals vide letter dated 21-03-2017. Keeping in view the above factors in view this Directorate General initiated an exercise for determination of the Customs values of the subject items in terms of Section 25-A of the Customs Act, 1969 to the align the values according to prevailing prices of the subject items in the international market.

3. **Stakeholders Participation in Determination of Customs Values:** Meeting with the stakeholders including importers and representatives from clearance Collectorates was held on

28-12-2017 to discuss the current international prices of the subject items. Through the meeting call notices the importers / stakeholders were requested to submit the following documents so that customs values could be determined:

- i) *Invoices of imports during last three months showing factual value.*
- ii) *Websites, names 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 Contracts made / LCs opened during the last three months showing the value of item in question.*
- iv) *Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.*

Representatives of FPCC&I and importers and manufacturers attended the meeting and submitted their proposals on the basis of price trend of plastic raw materials, however, sales tax invoices were not produced. As the corroborative evidences, as solicited, were not produced, therefore, reliance was placed on the available record and information as obtained during the process of this exercise.

4. **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly applied in their sequential order to arrive at customs values of subject goods. The transaction value method as provided in Sub-Section (1) of Section 25 of the Customs Act, 1969 was found inapplicable due to wide variations in declarations and incomplete description of specifications. Hence requisite information required under law was not available to arrive at the transaction value. Identical / similar goods value methods provided in Sub-Section (5) & (6) of Section 25 of the Customs Act, 1969 provided some reference values but due to wide variations in the declarations the same could not be relied upon exclusively. Thereafter, market enquiries as envisaged under Section 25(7) of the Customs Act, 1969, was conducted. Online values were also obtained. The importers had been requested to submit requisite documents but in spite of lapse of considerable time, the record / documents were not submitted which could help in determination of customs values. Resultantly repeated market surveys were conducted so that values of pipes and fittings of different specifications could be covered in the ruling. The values varied from one segment of the market to the other. The descriptions, specifications, values and ratios of constituent raw materials of the subject items were worked out under section 25(8) of the Customs Act, 1969. These worked out values were compared with the results of information already collected to arrive at customs values. All information so gathered was evaluated and analyzed for the purpose of determination of customs values. Consequently, the customs values of UPVC, CPVC, PPRC Pipes and Pipe Fittings have been determined under section 25 (9) of the Customs Act, 1969.

5. **Customs values of UPVC, CPVC, PPRC Pipes and Pipe Fittings hereinafter specified** shall be assessed to duty / taxes at the following Customs Values :

S. No.	Description	H.S. Code	Proposed PCT for WeBOC	Origin	Customs Values (C&F) USS/Kg
1	2	3	4	5	6
1	Un-Plasticized Poly Vinyl Chloride (UPVC) Pipes.	3917.2100 3917.4000	3917.2100.1000 3917.4000.1000	All Origin	1.52
2	Un-Plasticized Poly Vinyl Chloride (UPVC) Pipe Fittings.	3917.2100 3917.4000	3917.2100.1100 3917.4000.1100	All Origin	1.63
3	Chlorinated Poly Vinyl Chloride(CPVC) pipes.	3917.2100 3917.4000	3917.2100.1200 3917.4000.1200	All Origin	1.96
-4	Chlorinated Poly Vinyl Chloride(CPVC) pipe Fittings.	3917.2100 3917.4000	3917.2100.1300 3917.4000.1300	All Origin	2.14
5	Chlorinated Poly Vinyl Chloride(CPVC) pipe Fittings.(Brass/Copper Threaded)	3917.2100 3917.4000	3917.2100.1400 3917.4000.1400	All Origin	2.35
6	Poly Propylene Random Copolymer (PPRC) Pipes.	3917.2100 3917.4000	3917.2100.1500 3917.4000.1500	All Origin	2.05
7	Poly Propylene Random Copolymer (PPRC) Pipe Fittings.	3917.2100 3917.4000	3917.2100.1600 3917.4000.1600	All Origin	2.22
8	Poly Propylene Random Copolymer (PPRC) Pipe Fittings. (Brass/Copper Threaded)	3917.2100 3917.4000	3917.2100.1700 3917.4000.1700	All Origin	2.50

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 in this Ruling.

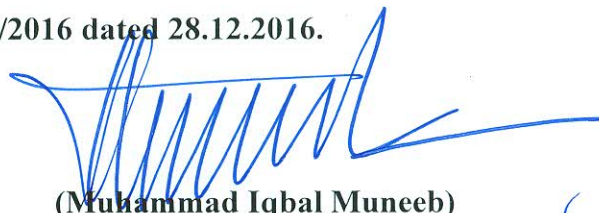
7. **Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Section (1) or (3) of Section 25-A of the Customs Act, 1969.

8. **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.

9. 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 descriptions and specifications as mentioned

in 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 certifications 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.

10. ***This Ruling supersedes Valuation Ruling No.1001/2016 dated 28.12.2016.***



(Muhammad Iqbal Muneeb)

Director

Copy for information to:

1. The Member (Customs), F.B.R., Islamabad.
2. The Director General, Customs Valuation, Custom House, Karachi.
3. The Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. The Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. The Chief Collector of Customs (Central), Lahore.
6. The Chief Collector of Customs (North), Islamabad.
7. The Director General, Intelligence and Investigation-FBR, Islamabad.
8. The Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
09. The Director General, Post Clearance Audit (PCA), Islamabad.
10. The Director General, Internal Audit (Customs), Karachi.
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Multan.
12. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No.1001/2016 dated 28.12.2016.
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. The 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. Revision 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, 1st Floor, Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading on FBR Website.
22. Guard File.