



**GOVERNMENT OF PAKISTAN**  
**DIRECTORATE GENERAL OF CUSTOMS VALUATION**  
**CUSTOM HOUSE KARACHI**

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**The Collectors of Customs**, Model Customs Collectorates of Appraisement East/West / PortQasim/Preventive (Karachi)/Appraisement (Lahore)/ Preventive (Lahore)/Sambrial (Sialkot)/ Faisalabad/Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar and Gilgit-Baltistan.

**Determination of Customs Values of Chemicals, Ethyl Acetate, Methyl Acetate and Sec. Butyl Acetate Under Section 25-A of the Customs Act, 1969.**

No. I/17/2012-II

1345

Dated: March 21, 2018

(VALUATION RULING NO. 1277/2018)

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Chemicals namely Ethyl Acetate, Methyl Acetate and Sec. Butyl Acetate are determined as follows:

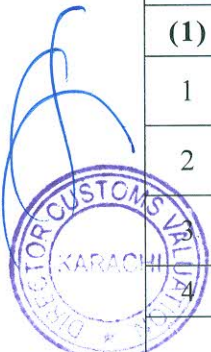
2. **Background of the Valuation Issue:** Earlier the customs values of the subject chemicals were determined vide Valuation Ruling No.1023/2017 dated 30.01.2017. There were several representations from importers and Pakistan Chemicals and Dyes Merchants Association (PCDMA) wherein they contended that customs values determined in the existing valuation ruling are not reflective of prices in international markets. Keeping in view the prevailing prices of the subject goods, this Directorate General initiated an exercise for determination of the Customs Values of the subject Chemicals in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders participation in determination of Customs values:** Meeting with stakeholders including importers, representatives from Pakistan Chemicals and Dyes Merchants Association (PCDMA) and representatives from field formations was held on 13.03.2017, to discuss the current international prices of the subject chemicals. All the stakeholders requested that the said valuation ruling may be reviewed in the light of prevailing international market prices. Moreover, the importers stated that Customs Values determined in the existing valuation ruling are for imports in drum packing whereas in case the goods are imported in bulk vessels/ISO tanks they face difficulty during assessment. Therefore, they requested that margin of quantity and freight element may be allowed for imports in ISO tanks or bulk vessels, as has been allowed in other valuation rulings. The PCDMA contended that their proposition of values for different types of chemicals accurately reflects international values and they take full responsibility for any variation. As and when there are significant variations, they would themselves approach customs authorities for redetermination of customs values. Market surveys as enumerated below, gave results very akin to the propositions of the PCDMA. The view point of all participants was heard in detail and considered to arrive at Customs values 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 arrive at customs values of subject goods. The transaction value method provided in Sub-Section (1) of Section 25, was found inapplicable because there was wide differences in the declarations. Identical / similar goods value method provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case which provided some reference values of the subject goods, but the same could not be exclusively relied on due to the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted market inquiries using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969 and customs values of Ethyl Acetate, Methyl Acetate and Sec. Butyl Acetate have been determined under Section 25(7) of the Customs Act, 1969.

5. **Customs values for Chemicals namely Ethyl Acetate, Methyl Acetate and Sec. Butyl Acetate:** The Chemicals hereinafter specified shall be assessed to duty / taxes at the following Customs Values :



S. No	Description of goods	Origin	PCT	Proposed PCT for WEOC	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Ethyl Acetate	China, Taiwan	2915.3100	2915.3100.1000	1.30
2		Other origins	2915.3100	2915.3100.1100	1.35
3	Methyl Acetate 99% and above	All origins	2915.3940	2915.3940.1000	1.03
4	Sec. Butyl Acetate	All origins	2915.3930	2915.3930.1000	1.32
5	<i>Note: The Customs Values determined above are for imports in drum packing. In case the goods are imported in ISO tank then US\$ 100/M. Ton and for Bulk Vessel imports US\$ 200/M. Ton may be deducted for assessment purpose from above mentioned Customs Values.</i>				

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-Sections (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, 7<sup>th</sup> 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.1023/2017 dated 30.01.2017.***

  
(Muhammad Iqbal Muneeb)  
Director 21/3/18

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 (Appraisement), 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), 1<sup>st</sup> Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.
9. 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/ Faisalabad.
12. The Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No.1023/2017 dated 30.01.2017 from the system on the date of issue of this ruling.
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.