



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorate 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 Palm Acid Oil Under Section 25-A of the Customs Act, 1969.

No.Misc/ 4/2018-II /455

Dated: April 20, 2018

(VALUATION RULING NO. 1290 / 2018)

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Palm Acid Oil are determined as follows:

2. **Background of the Valuation Issue:** Representations were received from certain importers, wherein it was stated that there exists wide variation in assessed values of the Palm Acid Oil. The Board vide letter C.No. 3(2)S.Val/2018 dated 08-03-2018, also referred the matter to this Directorate General of Customs Valuation to issue a valuation ruling under Section 25-A of the Customs Act, 1969 of the subject item. 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 goods in terms of Section 25-A of the Customs Act, 1969.



3. **Stakeholders' participation in determination of Customs values:** Meeting with stakeholders including importers and representatives from field formations was held on 10.04.2018, to discuss the current international prices of the subject goods. The importers contended that there is wide variation in the assessment of Palm Acid Oil, hence require valuation ruling under Section 25A of the Customs Act, 1969 for uniform assessment. The importers further stated that Palm Acid Oil is being imported either in drum packing or flexi bags, therefore, customs value may be notified for ease of application at clearance stage. The Pakistan Soap Manufacturers Association stated that a few genuine importers declare the actual prices but certain elements resort to mis-declaration and under-invoicing, thus hurting the industry. Pakistan Soap Manufacturers Association representing the main importers contended that their proposition of values of Palm Acid Oil accurately reflects international values and they take responsibility for any deviation. As and when there are significant variations, they would themselves approach customs authorities for redetermination of customs values. The view point of all participants was heard in detail and considered to arrive at Customs values of the subject goods.

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 as provided in Sub-Section (1) of

Section 25 of the Customs Act, 1969 was found inapplicable due to wide variation of values displayed in the import data. Hence requisite information required under law was not available to arrive at the correct transaction value. Therefore, identical / similar goods value method as provided in Sub-Sections (5) & (6) of Section 25 *ibid* was examined for applicability to the valuation issue in the instant case, which provided some references but due to wide variations in declarations this method could not be relied upon exclusively. In line with the statutory sequential order of Section 25, this office conducted market inquiries using Deductive Value Method under Sub-Section (7) of Section 25 of the Customs Act, 1969, however, this method of valuation could not be exclusively relied upon due to reason that it is an industrial use item and is not readily available. Therefore, Sub-Section (8) was examined but valuation under this sub-section could not also be made due to non-availability of conversion and processing cost of the exporting country. Consequently, customs values of Palm Acid Oil have been determined under Sub-Section (9) of Section 25 of the Customs Act, 1969.

5. **Customs values for Palm Acid Oil:** The Palm Acid Oil *hereinafter specified* shall be assessed to duty / taxes at the following Customs Values :

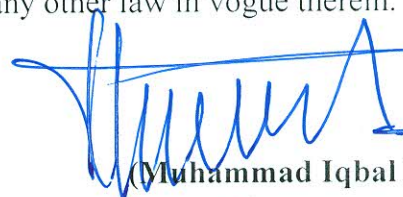
S. No	Description of goods	Origin	PCT	Proposed PCT for WBOC	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Palm Acid Oil	Malaysia	3823.1920	3823.1920.1000	0.47
		Indonesia	3823.1920	3823.1920.1100	0.46
		Other Origins	3823.1920	3823.1920.1200	0.45
<i>Note: The Customs Values determined above are for imports in flexi bags. In case the goods are imported in drumspacking US\$ 10/M. Ton may be added for assessment purpose.</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, 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.



(Muhammad Iqbal Muneeb)

Director

28/4/18

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 (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.
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 of this ruling.
14. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. The Karachi Customs Agents Group, Bohri Road, Karachi.
19. The CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC.
21. Appraisalment, 1st Floor, Custom House, Karachi.
22. Guard File.