

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/PQ).

Withdrawal of Valuation Ruling No. 1125/2017 dated 13-04-2017 of 2-Ethyl Hexanol /Octanol PCT 2905.1600 and Phthalic Anhydride PCT 2917.3500

No. Misc/18/2017-II

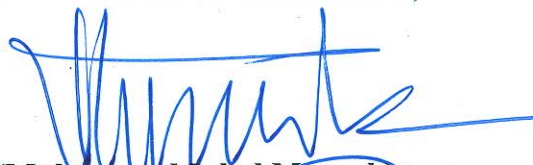
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Dated: January 28, 2019

Earlier Customs values of 2-Ethyl Hexanol/Octanol and Phthalic Anhydride of all origins were determined vide Valuation Ruling No. 1125/2017 dated 13-04-2017. However, several representations from the importers and industrial consumers were received in this Directorate General, wherein they contended that the customs values determined in the existing valuation ruling are not reflective of prices in the international market prices. Keeping in view the prevailing prices of the subject goods, this Directorate General initiated an exercise for re-determination of the customs values of the subject item in terms of Section 25-A of the Customs Act, 1969. Meeting with stakeholders, including importers, representatives from Pakistan Chemicals Dyes & Merchants Association (PCDMA) and field formations were held to discuss the current international prices of the subject goods.

2. During the proceedings, the stakeholders pointed out that the subject items, 2-Ethyl Hexanol/Octanol falling under PCT 2905.1600 is subject to zero percent customs duty under Pak-China FTA and Phthalic Anhydride falling under PCT 2917.3500 is subject to 11 percent customs duty. The importers also informed that the prices of 2-Ethyl Hexanol/Octanol and Phthalic Anhydride are traded well within the prices reported by ICIS for South East Asia and other regions. They asserted that very marginal differences shipments are delayed at the ports. Stakeholders informed that ICIS does not publish Pakistan region's specific values and during the time of clearance, customs clearance formations apply values which are not relevant and reviews are frequently filed; which delays clearance of shipments. Stakeholders and Pakistan Chemicals & Dyes Merchants Association suggested that valuation ruling on these items should be withdrawn and prices shall be allowed to fluctuate with the international prices. Moreover, their duty structure is also very low and there is hardly any incentive to indulge in non-compliance.

3. In view of above, the Valuation Ruling No. 1125/2017 dated 13-04-2017 is hereby withdrawn. The Collectorates are advised to assess the goods under Section 25 of the Customs Act, 1969. The Collectorates are, however, required to monitor the price trends of these commodities closely and remain vigilant during assessment so as to prevent any revenue leakage. If at any time, the clearance Collectorates observe distortions regarding valuation, they may send a reference to customs valuation for issuance of fresh valuation ruling under section 25-A of the Customs Act, 1969.


(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 (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), 1st Floor, PT&T Audit Building, Mauje-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 deleting in One Customs & WeBOC database system Valuation Ruling No. 1125/2017 dated 13-04-2017
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, Appraisement, 1st Floor, Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading on FBR Website.
22. Guard File.