



**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 / 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 Chemicals, Glycerin, Chlorinated Paraffin Wax (Liquid) and Calcium Carbide Under Section 25-A of the Customs Act, 1969**

No. Misc./06/2007-II

Dated: January 18, 2019

(VALUATION RULING NO. <sup>1352</sup>1663 / 2019)

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs values of Chemicals namely Glycerin, Chlorinated Paraffin Wax (Liquid) and Calcium Carbide are determined as follows:

2. **Background of the Valuation Issue:** Earlier the customs values of the subject chemicals were determined vide Valuation Ruling No. 1312/2018 dated 12.07.2018. There were several representations from importers, and industrial consumers 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 re-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 24.12.2018, to discuss the current international prices of the subject chemicals. All the stakeholders including PCDMA and M/s. Nimir Resins Limited requested that the prices of Glycerin has been reduced internationally, therefore, the said valuation ruling may be revised in the light of prevailing international market prices. Furthermore, Customs Values determined for Glycerin in the existing valuation ruling are for imports in drum packing whereas in case, the goods are imported in ISO tanks or flexi bags, they face difficulty during assessment. Therefore, they requested that margin of quantity and freight element may be allowed for imports in ISO tanks or flexi bags as has been allowed in several other valuation rulings. The stakeholders further emphasized that Ammonium Bi-Carbonate and Butyl Acrylate attract Custom duty at 3 per cent, and their transactions are always correct and verifiable, therefore, there is no need to include their prices in the Ruling. They suggested that valuation ruling on this item should be rescinded as duty structure is very low and there is hardly any incentive left for






indulging in non-compliance. 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 items. The transaction value method provided in Sub-Section (1) of Section 25, was found inapplicable because there were 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. 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 determined customs values of Glycerin, Chlorinated Paraffin Wax (Liquid) and Calcium Carbide.

5. **Customs values for Chemicals namely** Glycerin, Chlorinated Paraffin Wax (Liquid) and Calcium Carbide *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     | Glycerin                                                                                                                                                                                                             | All origins                   | 2905.4500 | 2905.4500.1000        | 0.725                        |
| 2     | Chlorinated Paraffin Wax (Liquid) Chlorine content 62%                                                                                                                                                               | China/India                   | 3824.9980 | 3824.9980.1000        | 0.65                         |
| 3     | Chlorinated Paraffin Wax (Liquid) All other grades                                                                                                                                                                   | China/India                   | 3824.9980 | 3824.9980.1100        | 0.90                         |
|       |                                                                                                                                                                                                                      | All origins                   | 3824.9980 | 3824.9980.1200        | 1.00                         |
| 4     | Calcium carbide                                                                                                                                                                                                      | China, Far East & Middle East | 2849.1000 | 2849.1000.1000        | 0.75                         |
| 5     | <i>Note: The Customs Values of Glycerin determined above are for imports in drums packing. In case the Glycerin is imported in ISO tank/ flexi bag, US\$ 75/ Metric Ton may be deducted for assessment purposes.</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.1312/2018 dated 12-07-2018.***

  
(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), 1<sup>st</sup> 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. 1312/2018 dated 12.07.2018.
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, 7<sup>th</sup> Floor, Custom House, Karachi.
17. Revision Section, Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7<sup>th</sup> Floor, Custom House, Karachi / MCC, Appraisement, 1<sup>st</sup> Floor, Custom House, Karachi.
21. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading  
on FBR Website.
22. Guard File.