

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

Determination of Customs Values of Hydrogen Peroxide
50% under Section 25-A of the Customs Act, 1969

(VALUATION RULING NO. 1371/2019)


No. Misc/03/2019-II/

Dated: May 9, 2019

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969,
Customs values of Hydrogen Peroxide 50% are determined as follows:

2. **Background of the Valuation Issue:** It was brought to the notice of this Directorate General that the values of Hydrogen Peroxide are being declared to Customs at much lower prices than their current international values. Verifications by this Directorate General re-affirmed this stance. Keeping in view the prevailing prices of the subject item, this Directorate General initiated an exercise for the determination of customs values of Hydrogen Peroxide 50%, in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' Participation in Determination of Customs Values:** Meeting with different stakeholders including importers and representatives from field formations were held on 02-05-2019 to discuss the prices of the subject goods. The importers / stakeholders were requested to submit the following documents before or during the course of stakeholders meetings:

- 
- Invoices of imports during last three months showing customs value.
 - Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
 - Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
 - Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

4. During the meetings, it was pointed out by some of the stakeholders that prices of Bleaching Chemicals including Hydrogen Peroxide are published in IHS Market Report, which is a well reputed international publication. They requested to link the price of Hydrogen Peroxide 50% with IHS Market for uniformity of assessment. On the other hand, some of the importers contended that there is no under invoicing in import of subject item and price of the subject chemical has shown downward trend in the international markets. They requested to accept the declared values as transactional value however, they did not produce substantial supporting documents in support of their contentions. The view point of all participants was heard in detail and considered to arrive at Customs Value of the subject goods.

3. **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

address the particular valuation issue at hand. The transaction value method as provided in Sub-Section (1) of Section 25, was found inapplicable in light of the wide variety of declarations at import stage. Identical / similar goods value methods provided vide Sub-Sections (5) & (6) of Section 25 *ibid* were examined for applicability to determine Customs value of subject goods. This data provided some references, however, it was found that the same cannot be solely relied upon. In line with the statutory sequential order of Section 25, this office then conducted market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969. However, it was found that the determination of Customs value could not be based solely upon this method either because the same is industrial raw material and not readily available for retail sale. The valuation method provided under Section 25 (8) of Customs Act 1969, could not be applied as the conversion cost from constituent materials and allied expenses, at country of export were not available. Finally, PRAL database, market information and international prices through Web were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of Hydrogen Peroxide 50%. Consequently, the Fall Back Method as provided under section 25 (9) of the Customs Act, 1969 was applied to arrive at assessable customs values of Hydrogen Peroxide 50%.

5. Customs values of Hydrogen Peroxide 50%: Hydrogen Peroxide 50% *hereinafter specified*, shall be assessed to duty/taxes at the following Customs Values :

Description of goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)
Hydrogen Peroxide 50%	2847.0000	2847.0000.1100	China/ Iran Bangladesh/ Korea/Taiwan/ Thailand/Turkey	0.460

Note: The customs value mentioned at column No. 5 is only for drum packing.

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 and the same may be communicated to this Directorate General forthwith. 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 determined 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:** This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, 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 the 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 Directorate General immediately. The Custom values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein, HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling requisite formalities relating to importability or other certifications required thereon. In addition to this, it is necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section of the Customs Act, 1969 or any other law in vogue therein.


(Shafique Ahmad Latki)
Director

Copy for information to:

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisalment), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Chief Collector of Customs (Quetta).
8. Director General, Intelligence and Investigation-FBR, Islamabad.
9. Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauje-Darya Road, Lahore.
10. Director General, Post Clearance Audit (PCA), Islamabad.
11. Director General, Internal Audit (Customs), Karachi.
12. The Director General, IOCO, Karachi.
13. Director, Directorate of Customs Valuation (Camp Office), Lahore.
14. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in WeBOC database system.
15. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
16. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta, Gujranwala, Faisalabad, Sialkot, Rawalpindi & Peshawar.
17. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
19. Karachi Customs Agents Group, Bohri Road, Karachi.
20. CHO, Customs Valuation, Custom House, Karachi.
21. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisalment (East/West), Custom House, Karachi.
22. Webmaster, Federal Board of Revenue, Constitution Avenue, Islamabad, for uploading on FBR website.
23. Guard File.