

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

**DETERMINATION OF CUSTOMS VALUES OF MEDIUM DENSITY FIBER (MDF) BOARD**  
**UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING NO. 1406 / 2019)**

No. Misc/01/2007-IIB/III / 2587

Dated: 1<sup>st</sup> November , 2019

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Medium Density Fiber (MDF) Board are determined as follows: -

**2. Background of the valuation issue:** Customs values of Medium Density Fiber (MDF) Board were earlier determined through Valuation Ruling No.1309 /2018 dated 05-07-2018. The Federal Board of Revenue issued CGO No. 15/2019 & 17/2019 dated 13-09-2019 and 19-09-2019 respectively wherein Unit of Measurement (UOM) of a number of commodities including Medium Density Fiber (MDF) Board was changed for the purpose of assessment. Moreover, a number of representations were received in this Directorate General that the values of subject goods in international market have changed, which requires re-determination of values. Keeping in view the above facts, an exercise to determine the customs values of the subject goods under section 25A of the Customs Act 1969 was initiated.

**3. Stakeholders' participation in determination of values:** A number of meetings were held with stakeholders on 15-08-2018, 17-09-2018, 13-11-2018, 28-03-2019 and 03-10-2019 which was attended by importers, representatives from Karachi Timber Merchants Group and officers from field formations. The stakeholders were requested to furnish the following documents before or during the course of above said meetings;

- i) Invoices of imports during last three months showing factual value.
- ii) Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current value can be ascertained.
- iii) Copies of Contracts made / LCs opened during the last three months showing the value of item in question.
- iv) Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

**4.** The representatives of M/s. Karachi Timber Merchants Group were of the view that the determined values are on higher side and it was difficult for them to compete in the market. They also submitted their proposals for determination of customs values of MDF board of different origins and specifications and the methods to convert the unit of measurement as per CGO.



5. **Method adopted to determine Customs values:** Custom Valuation methods provided in Section 25 of the Customs Act, 1969 were applied in sequential order to arrive at customs values of Medium Density Fiber (MDF) Board. Transaction value method under Sub-Section (1) of Section 25 of the Act *ibid* was found inapplicable owing to non fulfillment of prescribed requirements and wide variations in declarations. Identical and similar goods valuation methods provided in Sub-Sections (5) and (6) of Section 25 of the Customs Act, 1969 were examined for applicability to the valuation issue in the instant case which provided some reference values of subject goods but the same could not be exclusively relied upon due to certain variations in declared values of subject goods. Thereafter, market enquiries as envisaged under Section 25(7) of the Customs Act, 1969, were conducted. Online prices were also obtained to corroborate the findings of market survey. Consequently, the customs values of Medium Density Fiber (MDF) Board have been determined under Section 25(7) of the Customs Act, 1969.

6. **Customs values for Medium Density Fiber (MDF) Board :** Medium Density Fiber (MDF) Board *hereinafter specified* shall be assessed to duty/ taxes on the Customs values given against them in the Table below: -

S.No.	Description of goods	Specifications	PCT Heading	WeBOC PCT Heading	Origin	CUSTOM VALUES (C&F) US\$/ m <sup>3</sup>
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Medium Density Fibre Board	Up to 6 mm	4411.1200 4411.1300 4411.1400	4411.1200.1000 4411.1300.1000 4411.1400.1000	Malaysia, Indonesia, Thailand, Sri Lanka, Vietnam	230
				4411.1200.1100 4411.1300.1100 4411.1400.1100	China	231
				4411.1200.1200 4411.1300.1200 4411.1400.1200	Turkey	241
				4411.1200.1300 4411.1300.1300 4411.1400.1300	New Zealand	245
				4411.1200.1400 4411.1300.1400 4411.1400.1400	Other Origins	257
				4411.1200.1500 4411.1300.1500 4411.1400.1500	Malaysia, Indonesia, Thailand, Sri Lanka, Vietnam	205
				4411.1200.1600 4411.1300.1600 4411.1400.1600	China	206
				4411.1200.1700 4411.1300.1700 4411.1400.1700	Turkey	215
				4411.1200.1800 4411.1300.1800 4411.1400.1800	New Zealand	218
2	Medium Density Fibre Board	6.01 mm to 9.9mm	4411.1200 4411.1300 4411.1400	4411.1200.1500 4411.1300.1500 4411.1400.1500	Malaysia, Indonesia, Thailand, Sri Lanka, Vietnam	205
				4411.1200.1600 4411.1300.1600 4411.1400.1600	China	206
				4411.1200.1700 4411.1300.1700 4411.1400.1700	Turkey	215
				4411.1200.1800 4411.1300.1800 4411.1400.1800	New Zealand	218

				4411.1200.1900 4411.1300.1900 4411.1400.1900	Other Origins	230
3	Medium Density Fibre Board	10 mm to 14mm	4411.1200 4411.1300 4411.1400	4411.1200.2000 4411.1300.2000 4411.1400.2000	Malaysia, Indonesia, Thailand, Sri Lanka, Vietnam	200
				4411.1200.2100 4411.1300.2100 4411.1400.2100	China	201
				4411.1200.2200 4411.1300.2200 4411.1400.2200	Turkey	210
				4411.1200.2300 4411.1300.2300 4411.1400.2300	New Zealand	213
				4411.1200.2400 4411.1300.2400 4411.1400.2200	Other Origins	223
4	Medium Density Fibre Board	14.1 mm & Above	4411.1200 4411.1300 4411.1400	4411.1200.2500 4411.1300.2500 4411.1400.2500	Malaysia, Indonesia, Thailand, Sri Lanka, Vietnam	195
				4411.1200.2600 4411.1300.2600 4411.1400.2600	China	196
				4411.1200.2700 4411.1300.2700 4411.1400.2700	Turkey	205
				4411.1200.2800 4411.1300.2800 4411.1400.2800	New Zealand	208
				4411.1200.2900 4411.1300.2900 4411.1400.2900	Other Origins	218



### VALUE ADDED MEDIUM DENSITY FIBER (MDF) BOARD

S.No.	SPECIFIC ATIONS /SIZES	PCT HEADING	WeBOC PCT	ORIGIN	CUSTOM VALUES (C&F) US\$/ m <sup>3</sup>				
					UV Coated MDF	High Gloss / Matt PVC Film Laminated MDF & Acrylic Laminated MDF	Embossed PVC Film Laminated MDF	Aluminum Film Laminated MDF	Melaminated Paper Laminated MDF
1	Up to 3 mm	4411.1200 4411.1300 4411.1400 4411.9390	4411.1200.3500 4411.1300.3500 4411.1400.3500 4411.9390.1000	Malaysia Indonesia Thailand Sri Lanka Vietnam	1228	2417	3368	2007	290



2			4411.1200.3600 4411.1300.3600 4411.1400.3600 4411.9390.1100	China	1233	2422	3373	2009	291
			4411.1200.3700 4411.1300.3700 4411.1400.3700 4411.9390.1200	Turkey	1234	2423	3374	2011	304
			4411.1200.3800 4411.1300.3800 4411.1400.3800 4411.9390.1300	New Zealand	1236	2425	3376	2013	309
			4411.1200.3900 4411.1300.3900 4411.1400.3900 4411.9390.1300	Other Origins	1241	2430	3381	2018	324
	3.01 mm TO 6 mm	4411.1200 4411.1300 4411.1400 4411.9390	4411.1200.4000 4411.1300.4000 4411.1400.4000 4411.9390.1400	Malaysia Indonesia Thailand Sri Lanka Vietnam	1376	1953	3346	1989	290
			4411.1200.4100 4411.1300.4100 4411.1400.4100 4411.9390.1500	China	1382	1959	3353	1996	291
			4411.1200.4200 4411.1300.4200 4411.1400.4200 4411.9390.1600	Turkey	1385	1962	3355	1998	304
			4411.1200.4300 4411.1300.4300 4411.1400.4300 4411.9390.1700	New Zealand	1389	1965	3358	2000	309
			4411.1200.4400 4411.1300.4400 4411.1400.4400 4411.9390.1800	Other Origins	1396	1973	3367	2009	324
	6.01 mm TO 9.99 mm	4411.1200 4411.1300 4411.1400 4411.9390	4411.1200.4500 4411.1300.4500 4411.1400.4500 4411.9390.1900	Malaysia Indonesia Thailand Sri Lanka Vietnam	1122	1582	2039	1351	258
			4411.1200.4600 4411.1300.4600 4411.1400.4600 4411.9390.2000	China	1131	1591	2049	1359	260
			4411.1200.4700 4411.1300.4700 4411.1400.4700 4411.9390.2100	Turkey	1135	1594	2052	1363	271
			4411.1200.4800 4411.1300.4800 4411.1400.4800 4411.9390.2200	New Zealand	1138	1595	2055	1370	275
			4411.1200.4900 4411.1300.4900 4411.1400.4900 4411.9390.2300	Other Origins	1149	1608	2066	1378	290



4	10 mm TO 14.00 mm	4411.1200 4411.1300 4411.1400 4411.9390	4411.1200.5000 4411.1300.5000 4411.1400.5000 4411.9390.2400	Malaysia Indonesia Thailand Sri Lanka Vietnam	699	948	1197	824	252
			4411.1200.5100 4411.1300.5100 4411.1400.5100 4411.9390.2500	China	706	955	1204	831	253
			4411.1200.5200 4411.1300.5200 4411.1400.5200 4411.9390.2600	Turkey	709	958	1207	834	265
			4411.1200.5300 4411.1300.5300 4411.1400.5300 4411.9390.2700	New Zealand	713	960	1209	836	268
			4411.1200.5400 4411.1300.5400 4411.1400.5400 4411.9390.2800	Other Origins	721	971	1218	845	281
5	14.01 and above	4411.1200 4411.1300 4411.1400 4411.9390	4411.1200.5500 4411.1300.5500 4411.1400.5500 4411.9390.2900	Malaysia Indonesia Thailand Sri Lanka Vietnam	608	721	713	520	246
			4411.1200.5600 4411.1300.5600 4411.1400.5600 4411.9390.3000	China	615	728	720	526	247
			4411.1200.5700 4411.1300.5700 4411.1400.5700 4411.9390.3100	Turkey	617	730	722	528	258
			4411.1200.5800 4411.1300.5800 4411.1400.5800 4411.9390.3200	New Zealand	618	731	726	535	262
			4411.1200.4900 4411.1300.4900 4411.1400.4900 4411.9390.3300	Other Origins	627	740	732	539	275

7. In cases where declared/ Transaction values are higher than the Customs value determined in this Ruling, the assessing officer 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 determined in this Ruling.

8. **Validity of this Valuation Ruling:** The value 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.

9. **Review of the value determined vide this Valuation Ruling:** A review 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, before the Director General, Directorate General of Customs Valuation, 7<sup>th</sup> Floor, Custom House, Karachi.

10. 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. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification 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.

11. *This ruling supersedes Valuation Ruling No.1309 /2018 dated 05-07-2018.*

  
(Shafique Ahmed Latki)  
Director

Copy for information to: -

1. The Member (Customs, Operations), 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 Chief Collector of Customs, (Enforcement), Custom House, Quetta.
8. The Director General, Intelligence and Investigation-FBR, Islamabad.
9. The Director General, Post Clearance Audit (PCA) & Internal Audit, Karachi.
10. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar/ Faisalabad.
13. The Director, Directorate General of Customs Valuation Custom House, Lahore.
14. The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
15. The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
16. The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
17. The Karachi Customs Agents Group, Bohri Road, Karachi.
18. The Webmaster, Federal Board of Revenue, Islamabad.
19. Guard File.