GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI
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Determination of Customs Values of Polyester Spun Yarn, Viscose Spun Yarn, Acrylic Spun Yarn and Blends thereof, Under Section 25-Aof the Customs Act, 1969

(VALUATION RULING NO. 1465 / 2020)

No. DG/VDB/REF/48/VAL/2016-IV | 5038 Dated: 13 -08-2020

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, custom values of Polyester Spun Yarn, Viscose Spun Yarn, Acrylic Spun Yarn and blends thereof, are determined as follows:

2. **Background of the Valuation Issue:** Earlier the Customs values of Polyester Spun Yarn, Viscose Spun Yarn, Acrylic Spun Yarn and blends thereof were determined vide Valuation Ruling No.1431/2019 dated 03.12.2019. There was a representation from Pakistan Yarn Manufacture Association (Pakistan), wherein they contended that value of subject item needs to be aligned with international values. Keeping in view the prevailing prices of the subject goods, this Directorate General initiated an exercise for determination of the Customs Values in terms of Section 25-A of the Customs Act, 1969.Since the existing Valuation Ruling is formulae based and the formulae have been determined with the participation of stakeholders and industry experts, therefore, fresh values as per the formulae were obtained for calculation and determined of values of subject goods.

3. **Stakeholders' Participation in Determination of Customs Values:** Meeting with stakeholders, M/s All Pakistan Textile Mills Association (APTMA) and M/s Pakistan Yarn Merchants Association (PYMA) was held on 28-07-2020. Representative of both Associations acknowledged downward price trends of raw materials in the international markets. M/s PYMA communicated/suggested the values of Polyester Staple Fiber (PSF), Viscose Staple Fiber (VSF) and Acrylic Fiber obtained from CCFEI website. The Director followed the formula/procedure as mutually agreed by both trade bodies i-e., M/s APTMA and M/s PYMA which were determined while issuing earlier valuation ruling for subject goods. Followings are the relevant details required

as agreed for determination of Customs Values of Spun Yarn (Polyester, Viscose & Acrylic) and blend thereof.

a. **That for raw material:**
Two months import data from WeBOC is taken and data of identical goods is taken from CCFEI (China Chemical & Fiber Economic Information Network-CCFEI Website (CCFEI data being unbiased and neutral cannot be influenced by any of the stakeholders) and to take weighted averages of two months (i.e. total of value divided by total of quantity, without any outliers). Data from WeBOC and CCFEI website is used to ascertain the international raw material trading-prices of polyester staple fiber, viscose staple fiber and acrylic staple fiber separately. In this manner the value calculated for Polyester staple fiber is US $ 0.781/Kg (months of May and June, 2019). Value calculated for Viscose staple fiber is US $ 1.135/Kg (months of May and June, 2019). Value calculated for Acrylic staple fiber is US $ 1.430/Kg (months of May and June, 2019).

b. **That for determination of the conversion costs(from polyester / viscose staple fibers to subject items) for each count of polyester and viscose yarn:**
After detailed examination of each aspect of manufacturing, the agreed upon conversion-costs (for each count of polyester, viscose and blended yarns) were separately provided by the PYMA and APTMA), keeping in view the Ring Spinning machines, Rotor Spinning Machines and Vortex/Jet Spinning machines (MJS or MVS).These conversion costs were adopted to determined values of subject items. Conversion cost from raw material (i.e.100% polyester and 100% viscose staple fiber) to a single count-yarn/Kg is = US $ 0.0175/count/Kg provided below vide Table-A.

c. **The conversion cost to convert staple fiber (of polyester, viscose and Acrylic) into blended yarn:**
The agreed upon conversion-costs (for each count of polyester, viscose and blended yarns of Ring Spinning machines, Rotor Spinning Machines and Vortex/Jet Spinning machines (MJS or MVS) were separately provided by the industry experts i.e. PYMA and APTMA. These conversion costs were adopted to determine values of subject items. Conversion cost from raw material (i.e. Polyester and viscose staple fiber) to a single-count-blended-yarn/Kg is = US $ 0.02/count/Kg provided in Table-B.

d. **The conversion cost of converting staple fiber (of polyester and viscose) into double or multiple yarn of different counts that are being imported:**
Agreed upon conversion-costs (for double and multiple yarn of each count of polyester, viscose and blended yarn of Ring Spinning machines, Rotor Spinning Machines and Vortex/Jet Spinning machines (MJS or MVS) were separately provided by the industry experts i.e. PYMA and APTMA. These conversion costs were adopted to arrive at the values of subject items. The additional conversion cost of converting any of the subject yarns into doubled/folded/multiple yarns of 20 count, 30, 40 and 50 counts are separately specified vide Table C below.

4. Moreover fixed CONVERSION COST TABLES (i.e. cost of energy, cost of labor, machinery-depreciation cost and machine-maintenance cost) provided to the Directorate General Customs Valuation are as follows: -

Table A For 100% Polyester or 100% Viscose Yarn.

(US$ .0175/Count/Kg)

Count		Conversion Cost	
10		$0.175	/KG
20		$0.350	/KG
26		$0.455	/KG
30		$0.525	/KG
36		$0.630	/KG
40		$0.700	/KG
50		$0.875	/KG
60		$1.050	/KG

Table B For Blends of Polyester-Viscose & Polyester-Acrylic in any Ratio.

(US$ .02Count/Kg)

Count		Conversion Cost	
10		$0.200	/KG
20		$0.400	/KG
26		$0.520	/KG
30		$0.600	/KG
36		$0.720	/KG
40		$0.800	/KG
50		$1.000	/KG
60		$1.200	/KG

Table C **Doubling Expense/Cost**

Count		Doubling Cost	
20		$0.25	/KG
30		$0.30	/KG
40		$0.40	/KG
50		$0.50	/KG

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Formulae for converting 100% Polyester Staple Fiber into 100% Polyester Yarn

AND

For 100% Viscose Staple Fiber into 100% viscose yarn

Formula A

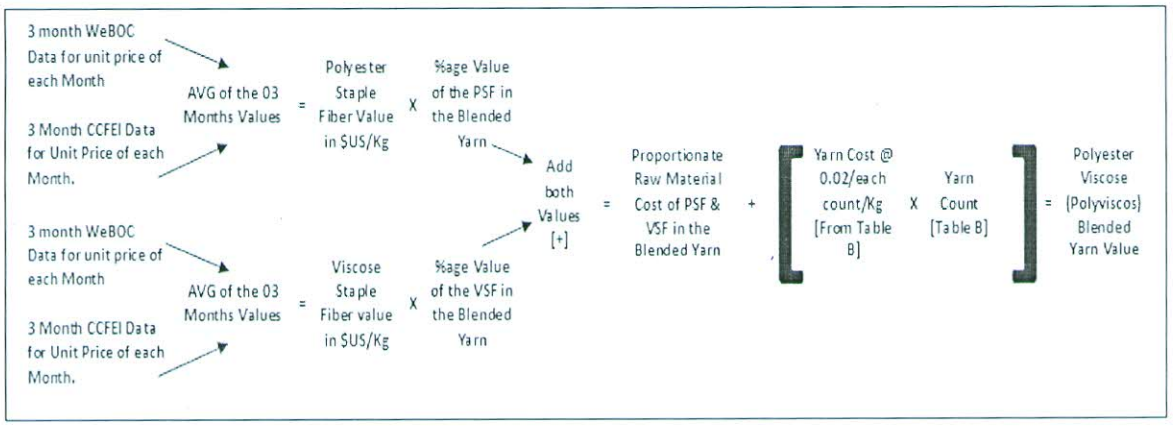
3 month WeBOC Data for unit price of each Month → Weighted AVG of the 03 months values

3 Month CCFEI Data for Unit Price of each Month. → Weighted AVG of the 03 months values

= Raw Material Cost in US$/Kg + [Yarn Conversion Cost @ 0.0175 / each Count / Kg [Table A] x Yarn count [Table A]] = Single Yarn Value

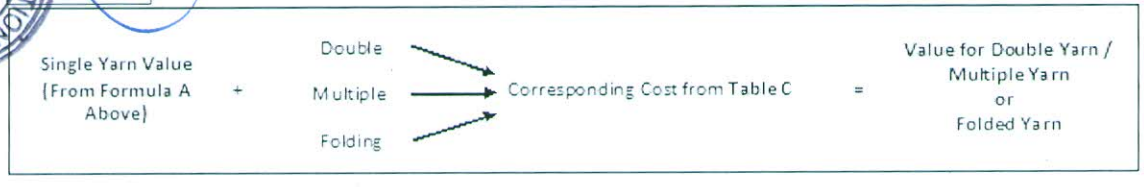
Formulae for converting Polyester Staple Fiber and Viscose Staple Fiber into Polyester – Viscose Blended Yarns

Formula B



Formulae for converting 100% Polyester Yarn into Double / Folded / Multiple Yarn AND 100% Viscose Yarn into Double / Folded / Multiple Yarn

Formula C



6. **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 because requisite information was not available as per law. The wide variation of values displayed in the import data as available on record also strengthened the aforementioned fact. Hence requisite information required under law was not available to arrive at the transaction value. Therefore, identical / similar goods value method as provided in Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case. The same provided some reference values but they could not be exclusively and solely relied upon. 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, which provided wide range of prices depending upon variety/quality /counts etc. of Spun Yarn and location of the market. Hence, this method of valuation could not be exclusively relied upon due to the aforesaid reasons. Thereafter, 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. Finally reliance had to be made on Sub-Section (9) of

Section 25 of the Customs Act, 1969.All information gathered above was utilized, evaluated and analyzed for purpose of determination of customs values. Consequently, customs values of spun yarn of Polyester, Viscose, Acrylic and blends thereof have been determined under section 25 (9) of the customs act 1969.

7. **Customs values for Spun Yarns (Polyester, Viscose and Acrylic)**: Spun yarn (Polyester, Viscose & Acrylic) and blend thereof ***hereinafter*** specified shall be assessed to duty / taxes at the following minimum Customs Values:-

ITEM # 1	**100% Polyester Spun Yarn Ring Spun Vortex/ MJS Yarn H.S. Code. 5509.2100**							
Count	**10**	**20**	**26**	**30**	**36**	**40**	**50**	**60**
Value in US$	**0.96**	**1.13**	**1.24**	**1.31**	**1.41**	**1.48**	**1.66**	**1.83**
WeBOC PCT	5509.2100.1000	5509.2100.1100	5509.2100.1200	5509.2100.1300	5509.2100.1400	5509.2100.1500	5509.2100.1600	5509.2100.1700

ITEM # 2	**100% Viscose Spun Yarn Ring Spun, Rotor or Vortex Spun H.S. Code. 5510-1100**							
Count	**10**	**20**	**26**	**30**	**36**	**40**	**50**	**60**
Value in US$	**1.31**	**1.485**	**1.59**	**1.66**	**1.765**	**1.835**	**2.01**	**2.185**
WeBOC PCT	5510.1100.1000	5510.1100.1100	5510.1100.1200	5510.1100.1300	5510.1100.1400	5510.1100.1500	5510.1100.1600	5510.1100.1700

ITEM # 3	**Polyester / Viscose Blended Yarn Ring, Rotor or MVS H.S. Code. 5509-5100**							
(a) 80% Polyester / 20% Viscose Blended Yarn Ring, Rotor or MVS Yarn								
Count	**10**	**20**	**26**	**30**	**36**	**40**	**50**	**60**
Value in US$	**1.0518**	**1.2518**	**1.372**	**1.452**	**1.5718**	**1.652**	**1.8518**	**2.0518**
WeBOC PCT	5509.5100.1000	5509.5100.1100	5509.5100.1200	5509.5100.1300	5509.5100.1400	5509.5100.1500	5509.5100.1600	5509.5100.1700
(b) 70% Polyester / 30% Viscose Blended Yarn Ring, Rotor or MVS Yarn								
Count	**10**	**20**	**26**	**30**	**36**	**40**	**50**	**60**
Value in US$	**1.0872**	**1.2872**	**1.407**	**1.487**	**1.6072**	**1.687**	**1.8872**	**2.0872**
WeBOC PCT	5509.5100.1800	5509.5100.1900	5509.5100.2000	5509.5100.2100	5509.5100.2200	5509.5100.2300	5509.5100.2400	5509.5100.2500
(c) 65% Polyester / 35% Viscose Blended Yarn Ring, Rotor or MVS Yarn								
Count	**10**	**20**	**26**	**30**	**36**	**40**	**50**	**60**
Value in US$	**1.1049**	**1.3049**	**1.425**	**1.505**	**1.6249**	**1.705**	**1.9049**	**2.1049**
WeBOC PCT	5509.5100.2600	5509.5100.2700	5509.5100.2800	5509.5100.2900	5509.5100.3000	5509.5100.3100	5509.5100.3200	5509.5100.3300
(d) 50% Polyester / 50% Viscose Blended Yarn Ring, Rotor or MVS Yarn								
Count	**10**	**20**	**26**	**30**	**36**	**40**	**50**	**60**
Value in US$	**1.158**	**1.358**	**1.478**	**1.558**	**1.678**	**1.758**	**1.958**	**2.158**
WeBOC PCT	5509.5100.3400	5509.5100.3500	5509.5100.3600	5509.5100.3700	5509.5100.3800	5509.5100.3900	5509.5100.4000	5509.5100.4100

(e) 35% Polyester / 65% Viscose Blended Yarn Ring, Rotor or MVS Yarn								
Count	10	20	26	30	36	40	50	60
Value in US$	1.211	1.411	1.531	1.611	1.731	1.811	2.011	2.211
WeBOC PCT	5509.5100.4200	5509.5100.4300	5509.5100.4400	5509.5100.4500	5509.5100.4600	5509.5100.4700	5509.5100.4800	5509.5100.4900
(f) 30% Polyester / 70% Viscose Blended Yarn Ring, Rotor or MVS Yarn								
Count	10	20	26	30	36	40	50	60
Value in US$	1.229	1.429	1.549	1.629	1.749	1.829	2.029	2.229
WeBOC PCT	5509.5100.5000	5509.5100.5100	5509.5100.5200	5509.5100.5300	5509.5100.5400	5509.5100.5500	5509.5100.5600	5509.5100.5700
(g) 20% Polyester / 80% Viscose Blended Yarn Ring, Rotor or MVS Yarn								
Count	10	20	26	30	36	40	50	60
Value in US$	1.264	1.464	1.584	1.664	1.784	1.864	2.064	2.264
WeBOC PCT	5509.5100.5800	5509.5100.5900	5509.5100.6000	5509.5100.6100	5509.5100.6200	5509.5100.6300	5509.5100.6400	5509.5100.6500

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ITEM # 4	Polyester / Acrylic Blended Yarn Ring, Rotor or MVS Yarn H.S Code. 5509-5100							
(a) 70% Polyester / 30% Acrylic Blended Yarn Ring, Rotor or MVS Yarn								
Count	10	20	26	30	36	40	50	60
Value in US$	1.176	1.376	1.496	1.576	1.696	1.776	1.976	2.176
WeBOC PCT	5509.5100.6600	5509.5100.6700	5509.5100.6800	5509.5100.6900	5509.5100.7000	5509.5100.7100	5509.5100.7200	5509.5100.7300
(b) 50% Polyester / 50% Acrylic Blended Yarn Ring, Rotor or MVS Yarn								
Count	10	20	26	30	36	40	50	60
Value in US$	1.306	1.506	1.626	1.706	1.826	1.906	2.106	2.306
WeBOC PCT	5509.5100.7400	5509.5100.7500	5509.5100.7600	5509.5100.7700	5509.5100.7800	5509.5100.7900	5509.5100.8000	5509.5100.8100
(c) 30% Polyester / 70% Acrylic Blended Yarn Ring, Rotor or MVS Yarn								
Count	10	20	26	30	36	40	50	60
Value in US$	1.44	1.64	1.76	1.84	1.96	2.04	2.24	2.44
WeBOC PCT	5509.5100.8200	5509.5100.8300	5509.5100.8400	5509.5100.8500	5509.5100.8600	5509.5100.8700	5509.5100.8800	5509.5100.8900

ITEM # 5	100% Polyester Spun Yarn with Multiple folded 2ply + 3ply…….. H.S. Code. 5509-2200			
Count	20	30	40	50
Value in US$	1.381	1.606	1.881	2.156
WeBOC PCT	5509.2200.1000	5509.2200.1100	5509.2200.1200	5509.2200.1300

ITEM # 6	100% Viscose Spun Yarn with Multiple folded 2ply+ 3ply…….. H.S. Code. 5510-1200			
Count	20	30	40	50
Value in US$	1.735	1.96	2.235	2.51
WeBOC PCT	5510.1200.1000	5510.1200.1100	5510.1200.1200	5510.1200.1300

Note: *The above mentioned customs values are for spun yarn (polyester, viscose, Acrylic and blend thereof, of China, Thailand, Indonesia, India and Vietnam origin only. In case the goods are imported from the other origins, the same shall be assessed with a 5% (five percent) increase from the prices given in the table.*

8. 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.

9. **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.

10. **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.

11. 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 Customs 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 further 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.

12. ***This ruling supersedes Valuation Ruling No.1431 dated 03.12.2019.***

(Shafique Ahmad Latki)
Director

Copy for information to: -

1. The Member (Customs-Operations), Federal Board of Revenue, Islamabad.
2. The Director General, Directorate 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 Chief Collector of Customs, 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 Director General, Transit & Trade, Custom House, Karachi.
11. The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad / Quetta / Peshawar / Faisalabad / Gwadar.
12. The Director, Transit & Trade, Custom House, Karachi.
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 Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. The Karachi Customs Agents Group, Bohri Road, Karachi.
19. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi.
20. The Webmaster, Federal Board of Revenue, Islamabad.