

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

DETERMINATION OF CUSTOMS VALUES OF PVC FLOORING PCT (3918.1000)
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1476 / 2020)

C.No. Misc/06/2020-II/5204

Dated: 06 -10-2020

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of PVC Flooring PCT (3918.1000) are determined as follows: -

2. **Background of the valuation issue:** A representation was received from Lahore Chamber of Commerce & Industry which enclosed a contention of local manufacturer of subject goods that PVC floorings are being imported and cleared at lower values than its constituent raw materials. After analysis of import data and valuation trends both in declarations as well as in market an exercise was initiated in this Directorate General to determine customs values of subject goods in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of values:** Meetings were scheduled and held on 29-07-2020 & 21-08-2020, which were attended by different stakeholders. The participants were requested to submit following documents before or during the course of meeting so that customs values could be determined: -

- i. Invoices of imports during last three months showing customs 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 the last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

During the meeting, representative of the local manufacturers reiterated the same arguments as stated in their written submission. The local manufacturer contended that PVC floorings are being imported and cleared at lower values than its constituent raw materials. They further contended that PVC floorings are made of three layers, namely: base layer, flooring sheet and wear layer. These layers are fused together through the extrusion process over high temperature. Other raw materials namely PVC resin, DOP (plasticizer), stabilizer, whitening and wear layer are used in the manufacturing of this flooring. The flooring is produced in tiles, planks and rolls of different

sizes in square feet. The importers although contended that their declared values were true transaction values, however, they did not produce substantial document to prove their stance.

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 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 under law was not available to arrive at the transaction value. Therefore, identical / similar goods value methods 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 could not be exclusively and solely relied upon. In line with the statutory sequential order of Section 25, this office conducted market inquiries for (Deductive Value Method) under Sub-Section (7) of Section 25 of the Customs Act, 1969 which was found appropriate and was applied to arrive at assessable customs values of PVC Flooring.

5. Customs values for PVC Flooring: PVC Flooring hereinafter specified shall be assessed to duty/ taxes on the minimum Custom values given against them in the Table below: -

Sr. No.	Item Description	H.S Code	Proposed PCT for WeBOC	Origin	Custom Values C&F (US\$/m ²)
(1)	(2)	(3)	(4)	(5)	(6)
1.	PVC/Vinyl Flooring (Tile/Plank/Roll)	3918.1000	3918.1000.1000	China	1.40
2.	Thickness upto 1.2mm		3918.1000.1100	Other origins	1.60
Note: The above mentioned values are for thickness upto 1.2mm, if imported in thickness above 1.2mm these should be assessed on prorata basis.					

6. In cases where declared / transaction values are higher than the Customs values determined in this Ruling or higher evidential data is available of stipulated period of 90 days, the assessing officer shall apply those values in terms of Sub-Section 25(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.

7. 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.

8. 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, 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 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 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.


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