



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

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 DYESPCTS (3204.1910, 3204.1400)
UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. ¹⁵¹⁸ / 2021)

C. No. Misc/44/2018-II/

Dated: 01-03-2021

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Dyes under PCTs (3204.1910, 3204.1400) are determined as follows:

2. **Background of the valuation issue:** Earlier the Customs values of Dyes under PCTs (3204.1910, 3204.1400) were determined under section 25A of the Customs Act, 1969 vide Valuation Ruling No. 1274/2018 dated 22-03-2018. Several representations from the importers as well as Korangi Association of Trade & Industry (KATI), Pakistan Denim Manufacturers & Exporters Association (PDMEA) were received that the values have decreased substantially in the international market and Ruling be revised accordingly. Therefore, this Directorate General initiated an exercise for determination of Customs Values of the subject goods in terms of Section 25-A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of values:** Meeting was scheduled and held on 12-11-2020 which was 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, stakeholders were of the view that values of subject goods in the existing Valuation Ruling are too high. They contended that values of the goods are on a downward trend and keeping in view the decreasing prices of dyes, particularly Sulphur Black

International market a fresh Valuation Ruling may be issued accordingly. Furthermore, they contended that the higher customs values of dyes are creating hardships for the manufacturers and exporters of the textile sector and local industry. The view points of the participants were heard in detail. They were requested to submit the import documents which were considered to arrive at Customs values of the subject goods.

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 under sub-Section (7) of section 25 of the Customs Act, 1969, however, this method of valuation could not be exclusively relied upon. Therefore, valuation method vide Section 25(8) was examined for valuation but the same also could not be applied as conversion cost from the constituent material and allied expenses, at the country of export were not available for manufacturing of the subject goods. Finally, clearance data, market information and international prices through internet were examined thoroughly and the information so gathered were utilized and analyzed for determination of customs values of the subject goods under Section 25 (9) of the Customs Act, 1969.

5. Customs values for Dyes under PCTs (3204.1910, 3204.1400) -hereinafter specified shall be assessed to duty/taxes on the minimum Customs values as under:

Sr. No.	Description of goods	Color Index No.	Origin	PCT	Proposed PCT for WEOC	Customs Values (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Sulphur black BR. Upto 150% (Other than Sinochem Tianjin)	Sulphur Black-1	China	3204.1910	3204.1910.1000	1.39
2.	Sulphur black BR. Above 150% to 200% (Other than Sinochem Tianjin)	Sulphur Black-1	China	3204.1910	3204.1910.1100	1.75
3.	Sulphur black BR above 200% (Other than Sinochem Tianjin)	Sulphur Black-1	China	3204.1910	3204.1910.1200	1.90

4.	Sulphur black BRN (Other than Sinochem Tianjin)	Sulphur Blue- 7	China	3204.1910	3204.1910.1300	3.50
5.	Sulphur Bordeaux 3B (Other than Sinochem Tianjin)	Sulphur Red-6	China	3204.1910	3204.1910.1400	2.70
6.	Sulphur Yellow Brown 6G (Other than Sinochem Tianjin)	Sulphur Yellow	China	3204.1910	3204.1910.1500	2.20
7.	Sulphur Khaki (Other than Sinochem Tianjin)	Mixture	China	3204.1910	3204.1910.1600	2.00
8.	Sulphur Olive (Other than Sinochem Tianjin)	Mixture	China	3204.1910	3204.1910.1700	1.80
9.	Sulphur brown GDR (Other than Sinochem Tianjin)	Mixture	China	3204.1910	3204.1910.1800	2.11
10.	Sulphur Yellow GR (Other than Sinochem Tianjin)	Mixture	China	3204.1910	3204.1910.1900	2.25
11.	Direct Chryophenine GX (Other than Sinochem Tianjin)	Direct Yellow 12	China	3204.1400	3204.1400.1000	3.77
12.	Direct Orange S (Other than Sinochem Tianjin)	Direct Orange -26	China	3204.1400	3204.1400.1100	2.85
13.	Direct Turq Blue GL (Other than Sinochem Tianjin)	Direct Blue-86	China	3204.1400	3204.1400.1200	2.80
14.	Direct Red 12 B (Other than Sinochem Tianjin)	Direct Red-31	China	3204.1400	3204.1400.1300	2.85
15.	Direct Yellow R (Other than Sinochem Tianjin)	Direct Yellow- 11	China	3204.1400	3204.1400.1400	3.14

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.

10. This ruling supersedes Valuation Ruling No. 1274/2018 dated 22-03-2018.


(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 (Appraisal & 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.