

**The Collector of Customs,** Collectorate of Customs, (Appraisalment -West / Appraisalment -East / Appraisalment - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi /Hyderabad / (Appraisalment / Enforcement), Quetta / Gawadar / (Appraisalment / Enforcement / AIIA), Lahore / Appraisalment, Faisalabad / Appraisalment, Sambrial (Sialkot)/ Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisalment / Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Karachi /Port Qasim) / Transit Trade (Karachi).

**DETERMINATION OF CUSTOMS VALUE OF WHITE OIL UNDER SECTION 25A  
OF THE CUSTOMS ACT, 1969.**

**(VALUATION RULING NO. 1660/2022)**

C. No. Misc/26/2017-I/621

Dated: 16-06-2022

In exercise of the powers conferred under Section 25A of the Customs Act, 1969 Customs value of White Oil is determined as follows: -

2- **Background of the valuation issue:** The customs value of White Oil was determined under Section 25A of the Customs Act, 1969, vide Valuation Ruling No. 1396/2019 dated 25-10-2019. However, various representations were received from importers and manufactures, wherein they requested the Directorate General of Customs Valuation for fresh determination and rationalization of the existing Valuation Ruling in the light of values prevailing in the international market. Keeping in view the afore-stated facts, an exercise was initiated to determine afresh values of subject goods under section 25A of the Customs Act, 1969.

3- **Stakeholders' participation in determination of Customs values:** Meetings with stakeholders including importers, and representatives from customs field formations were held on 07-12-2021 and 31-05-2022 to discuss the current international prices of the subject goods. The participants explained that the White Oil is manufactured from highly refined "Base Oil". White Oil (Light) is being produced from N-70, Medium from N-110 and N-150 and Heavy from SN-500 with the blending composition of various additives. It was stated that the price of lighter grades of Base Oil ranges from USD 1200-1300 PMT. If prices of additives/chemicals and manufacturing cost is added in the prices of raw material, correct value of goods can be determined. It was further contended that the prevalent ruling is on lower side and may be revised keeping in view values of constituent raw materials. The stakeholders were requested to submit the following documents before or during the course of stakeholders' meetings:

- 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 last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.*



- iv. *Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.*

4- **Method adopted to determine Customs values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly followed and applied sequentially to address the valuation issue at hand. Transaction value method provided in Sub-Section (1) of Section 25 was found inapplicable because of non-submission of requested documents by any of the stakeholder and also because of wide variation in declared values. Identical / similar goods value method provided in 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 due to variation in quality and non-declaration of the grade/ Technical number on the Goods Declarations (GDs). In line with the statutory sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969. As the subject goods are not commercially traded in retail sale etc. The said survey result could not be solely relied upon for determination of values of subject goods. Valuation method provided vide Section 25 (8) of Customs Act 1969 also provided some reference regarding values of constituent raw materials internationally. Internet prices were checked from ARGUS/ ICIS, within the meanings of proviso to sub-section (1) of Section 25A ibid, inserted vide Finance Act, 2021. Finally, import data, prices of raw materials, market information and international prices through the internet were examined thoroughly and the information so gathered was utilized and analyzed for determination of Customs Value of the subject good under Section 25(9) of the Customs Act, 1969.

5- **Customs values for White Oil – hereinafter specified** shall be assessed to duty/taxes at the following minimum Customs Value: -

Customs values for following minimum Customs Value: -

S. No.	Description of Goods	PCT Code	Proposed PCT for WEOC	Origin	Customs Value (C&F) US\$/kg Net Content
(1)	(2)	(3)	(4)	(5)	(6)
1	<b>Light White Oil</b> (Up to WOT100 having Kinematic Viscosity from 7 to 16 at 40°C)	2710.1996	2710.1996.1000	China	1.96
			2710.1996.1100	South Korea	2.04
			2710.1996.1200	United Arab Emirates (UAE)	2.07
			2710.1996.1300	Other origins	2.07
2	<b>Medium White Oil</b> (Above WOT100 but less than WOT 400 having Kinematic Viscosity more than 16 and up to 75 at 40°C)		2710.1996.1400	China	1.97
			2710.1996.1500	South Korea	2.05
			2710.1996.1600	United Arab Emirates (UAE)	2.08
			2710.1996.1700	Other origins	2.08
3	<b>Heavy White Oil</b> (WOT400 and above having Kinematic Viscosity more than 75 at 40°C)		2710.1996.1800	China	2.01
			2710.1996.1900	South Korea	2.09
			2710.1996.2000	United Arab Emirates (UAE)	2.12
			2710.1996.2100	Other origins	2.12

**Note:** The Customs Values determined above are for imports in drum packing. In case the goods are imported in ISO tanks / bulk vessels US\$ 100/ M. Ton may be deducted for assessment purpose from above mentioned Custom Values.




6- In cases where declared values are higher than the Customs values determined in this Ruling, 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 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-Section (4) of Section 25A of the Customs Act, 1969, read with Rule 107(a), Chapter IX, of the Customs Rules, 2001.

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 25D 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 Valuation 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 this Directorate General immediately. The Customs values determined in the ruling are for the description and specification as mentioned in Para-5. PCT Codes are mentioned for illustrative purposes so that valuation ruling values are made accessible to the assessing officers. The assessment shall be finalized on the basis of correct classification after fulfilling all formalities relating to importability or any other certifications required thereon.

10- ***This ruling supersedes Valuation Ruling No. 1396/2019 dated 25-10-2019.***

  
(Syed Fawad Ali Shah)  
Director

Copy for information to:

- 1) The Member Customs (Policy/Operations), Federal Board of Revenue, Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, Appraisement (South), Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisement (Central), Custom House Lahore.
- 6) The Chief Collector of Customs, Enforcement (Central), Custom House Lahore.
- 7) The Chief Collector of Customs (North), Custom House Islamabad.
- 8) The Chief Collector of Customs, Balochistan, Custom House, Quetta.
- 9) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 10) The Director General, Intelligence and Investigation-FBR, Islamabad.
- 11) The Director General, PCA& Internal Audit, Karachi.
- 12) The Director General, IOCO, Karachi
- 13) The Director General, Transit Trade, Custom House Karachi
- 14) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 15) The Director, Transit Trade, Custom House Karachi
- 16) The Director, Directorate of Customs Valuation, Lahore / Peshawar / Quetta.
- 17) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEOC database system.
- 18) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.