



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
7TH FLOOR, CUSTOM HOUSE, KARACHI

The Collectors of Customs, Collectorates of Customs (Appraisalment – West)/ Appraisalment – East / SAPT / Appraisalment – Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad/ (Appraisalment/Enforcement), Quetta/Gawadar/ Khuzdar (Appraisalment / Enforcement/ AIIA), (Appraisalment – East / Appraisalment –West, Lahore/ Faisalabad Appraisalment / Enforcement, Sargodha/ Enforcement. Appraisalment, Sambrial (Sialkot)/ Enforcement, Multan/ Islamabad/ Gilgit-Baltistan/ (Appraisalment/ Enforcement), Peshawar/ Enforcement, Dera Ismail Khan/Exports (Port Qasim/Custom House, Karachi)/Transit Trade, Karachi.

DETERMINATION OF CUSTOMS VALUES OF WATER BASED ACRYLIC TYPE SELF ADHESIVE TAPE (BOPP/OPP) AND HOT MELT RUBBER BASED SELF ADHESIVE TAPE IN JUMBO/LOG ROLL OR IN RETAIL PACKING UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1865 /2024)

C.No.Misc/08/2008-II/231

Dated: 08-03-2024

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Water Based Acrylic Type Self Adhesive Tape (BOPP/OPP) and Hot Melt Rubber Based Self Adhesive Tape in Jumbo/Log Roll or in Retail Packing are determined as follows:

Background of the valuation issue: Earlier, the Customs values of Water Based Acrylic Type Self Adhesive Tape (BOPP/OPP) and Hot Melt Rubber Based Self Adhesive Tape in Jumbo/Log Roll or in Retail Packing were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1818/2023 dated 18-10-2023. However, different stakeholders requested to re-determine Customs values afresh in line with values prevalent in the international market. Therefore, an exercise has been undertaken by this Directorate to determine the same.

2. **Stakeholders' participation in determination of Customs values:** Meetings were convened on 25.01.2024 and 19.02.2024 which were attended by all the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meetings. The stakeholders submitted their proposals and the same were considered pertaining to the valuation of subject goods.

3. **Analysis / Exercise done to determine Customs Values:** The importers contended that the Customs values of Water Based Acrylic Type Self Adhesive Tape (BOPP/OPP) in Jumbo Rolls of China origin are higher in the Valuation Ruling and the same need to be revised downwards at prevailing international prices. They claimed that the imported jumbo rolls are not available in the local market due to the reason that further processing of cutting, wrapping and printing is required before selling the said goods in retail packing in the local markets. Therefore, market inquiry under Section 25(7) of the Customs Act, 1969, does not apply to the

said goods. They also requested to consider the prices of raw materials i.e., BOPP granules (55%) and Glue (45%) used for producing BOPP Tape jumbo rolls and add 30% Conversion cost to arrive at fair Customs values. They further emphasized the difference between exorbitant freight charges at the time of issuance of VR No. 1588/2022 dated 14.01.2022 and current freight charges. They also submitted proposals, Export GDs and copies of sales tax invoices to substantiate their claim.

4. The representative of M/s. Universal Coating Film (Pvt) Ltd, a local manufacturing industry, claimed that there is a wide variation in Transaction values of importers and promised to submit GDs with declared value of US\$1.68/Kg to US\$1.71/Kg. However, he did not submit the same. He also explained the manufacturing process of BOPP Tapes and contended that the first raw material for making BOPP Tapes i.e., BOPP granules, along with additives, are processed to make BOPP Film. The conversion cost for this process is around US\$400/MT. This can be verified from the Export data of BOPP Film from Pakistan which is being exported at around US\$1.45/Kg. The import data of the second raw material i.e., Acrylic Adhesive/Glue reveals the price range of US\$1.10/Kg to US\$1.40/Kg. Moreover, the Scan Prices pertain only to BOPP granules, the raw material for manufacturing BOPP Film and not BOPP Tape. He requested to determine the Customs values of the said goods afresh keeping in view these factors.

5. In addition to the above information/documents, ninety (90) days' clearance data has also been retrieved and the same has been scrutinized. It has been observed that major import of Pakistan from China is of Colourless BOPP Packing Tape in Jumbo Rolls, that are further processed (cutting, wrapping and printing) locally to make Transparent BOPP Tape in Retail Packing. Major application of these finished goods is in packaging sector. In order to confirm the veracity of claims of both the importers and the local manufacturer, this Directorate sourced relevant industry Report from the internationally accredited Database/Source, i.e. QYResearch. As per this Report, the two largest manufacturers of the said goods are M/s. Fujian Youyi Group, China and M/s. Yongguan Adhesive Products, China, which are also the largest suppliers of BOPP Colourless Tape in Jumbo Rolls to Pakistan. Furthermore, prices of major raw materials for manufacturing of Colourless BOPP Tape i.e., BOPP Film and Butyl Acrylate have been obtained and processing cost is learnt to get a fair idea of manufacturing cost of BOPP Transparent Tapes, which reveals the current prices of the major raw materials as well as the manufacturing cost structure of the said goods in the following ratio: raw materials (82%), manufacturing expenses (13%) and labour cost (5%). Moreover, freight values from China to Pakistan at the time of issuance of VR No. 1588/2022 dated 14.01.2022 hovered around US\$6850/40FT Container, while the prevailing freight charges stand at around US\$1500/40FT Container. Exchange rate fluctuations from USD to PKR have also been duly considered. In addition to that, quotations obtained from Chinese suppliers have also been taken into account and export data of Chinese suppliers to foreign countries has also been observed. All the above-referred data / information have been thoroughly analyzed.

6. **Method (s) adopted to determine Customs values:** Valuation methods specified in Section 25 of the Customs Act, 1969, were duly applied in their sequential order to arrive at the Customs value of subject goods. The transaction value method as provided in sub-section (1) of Section 25 of the Customs Act, 1969, was considered. However, owing to the fact that the

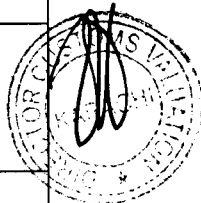
prices of the subject goods have changed in the international market and after observing variations in the declared values of the last 90 days data, this Directorate did not consider sub-section (1) of Section 25 of the Customs Act, 1969. Next, identical goods value method provided in Section 25(5) was examined for applicability to determine Customs values of subject goods. The data provided some reference; however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidences of quantities and qualities. Information available was, hence, found incomplete. Subsequently, similar goods value method provided in Section 25(6) was examined for applicability to determine Customs value of subject goods. The assessed values in similar goods import data of Water Based Acrylic Type Self Adhesive Tape (BOPP/OPP) and Hot Melt Rubber Based Self Adhesive Tape in Jumbo/Log Roll or in Retail Packing for the last 90 days of various origins reflected values as per previous VR No. 1818/2023 dated 18-10-2023. However, Declared Values (DV) of similar goods had shown consistent variations as stated above. Hence, this method was also found inapplicable. Market enquiry as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969 was also conducted. Various Wholesale Markets were visited to observe the actual prices of Water Based Acrylic Type Self Adhesive Tape (BOPP/OPP) and Hot Melt Rubber Based Self Adhesive Tape in Jumbo Rolls of various origins. However, the Jumbo Rolls were not readily available in the local market. In line with statutory sequential order of section 25, Computed value method, as provided in Section 25(8) of the Customs Act, 1969 was also examined. In this regard, conversion formula provided in the said industry Report has been consulted which provide a fair idea of values. However, the same could also not be completely relied upon due to the absence of exact information of different suppliers' cost of manufacturing. Finally, the Customs values of the subject goods have been determined in terms of Section 25(9) read with Section 25(8) and in exercise of the powers conferred under Section 25A, and the proviso to Section 25A(1), and Customs Rule 121(2) of Customs Rules, 2001 which provides that the methods of valuation, to be employed under sub-section (9) of section 25 of the Act, may be inclusive of those laid down in sub-sections (1), (5), (6), (7) and (8) of the said section but a reasonable flexibility in the application of such methods would be in conformity with the aims and provisions of sub-section (9) of that section.

7. **Customs values of Water Based Acrylic Type Self Adhesive Tape (BOPP/OPP) and Hot Melt Rubber Based Self Adhesive Tape in Jumbo/Log Roll or in Retail Packing –** Water Based Acrylic Type Self Adhesive Tape (BOPP/OPP) and Hot Melt Rubber Based Self Adhesive Tape in Jumbo/Log Roll or in Retail Packing, hereinafter specified, shall be assessed to duty / taxes at the Customs values as per the following table:

S.No	Description of Goods	PCT	Propose PCT for WeBOC	Origin	Customs Values (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
Water based Acrylic Type Self Adhesive Tape					
1.	Self Adhesive Transparent (BOPP/OPP) Tape- Width exceeding	3919.9010 3919.9090	3919.9010.1010 3919.9090.1010	China/ Hong Kong/ Malaysia	1.50



	20cm (Jumbo Roll)		3919.9010.1020 3919.9090.1020	Korea/UAE /Taiwan	1.56
			3919.9010.1030 3919.9090.1030	Canada/ Europe/ Japan/ USA	1.88
			3919.9010.1040 3919.9090.1040	Others Origins	1.55
2.	Self Adhesive Transparent (BOPP/OPP) Tape- Width exceeding 20cm (Log Rolls)	3919.9010 3919.9090	3919.9010.1050 3919.9090.1050	China/ Hong Kong/ Malaysia	1.54
			3919.9010.1060 3919.9090.1060	Korea/UAE /Taiwan	1.58
			3919.9010.1070 3919.9090.1070	Canada/ Europe/ Japan/ USA	1.95
			3919.9010.1080 3919.9090.1080	Others Origins	1.57
3.	Self Adhesive (Transparent BOPP/OPP) Tape- Width not exceeding 20cm in Retail Packing with paper board spool.	3919.1090	3919.1090.1010	China/ Hong Kong/ Malaysia	1.58
			3919.1090.1020	Korea/UAE /Taiwan	1.64
			3919.1090.1030	Canada/ Europe/ Japan/ USA	1.95
			3919.1090.1040	Others Origins	1.64
4.	Self Adhesive (Transparent BOPP/OPP) Tape- Width not exceeding 20cm- in Retail Packing with plastic spool.	3919.1090	3919.1090.1050	China/ Hong Kong/ Malaysia	1.63
			3919.1090.1060	Korea/UAE /Taiwan	1.66
			3919.1090.1070	Canada/ Europe/ Japan/ USA	2.02
			3919.1090.1080	Others Origins	1.64
5.	Self Adhesive (Transparent BOPP/OPP) Tape- "Scotch" brand Width not exceeding 20cm- in retail packing.	3919.1030	3919.1030.1010	China/ Hong Kong/ Malaysia	4.82
			3919.1030.1020	Korea/UAE /Taiwan	4.92
			3919.1030.1030	Canada/ Europe/ Japan/ USA	6.00
			3919.1030.1040	Others Origins	5.05



Hot Melt Rubber based Self Adhesive Tape (Imported from M/s. Alpha Beta Global Tapes and Adhesive Co., Ltd.					
S.No	Description of goods	PCT Heading	Propose PCT for WeBOC	Origin	Customs Value (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1.	Self Adhesive (Transparent BOPP/OPP) Tape- Width exceeding 20cm (Jumbo Roll)	3919.9010 3919.9090	3919.9010.1090 3919.9090.1090	Taiwan	2.24
2.	Self Adhesive (Transparent BOPP/OPP) Tape- Width exceeding 20cm (Log Roll)	3919.9010 3919.9090	3919.9010.1100 3919.9090.1100	Taiwan	2.31
3.	Self Adhesive (Transparent BOPP/OPP) Tape- Width not exceeding 20cm- in Retail Packing with paper board spool.	3919.1090	3919.1090.1090	Taiwan	2.33
4.	Self Adhesive (Transparent BOPP/OPP) Tape- Width not exceeding 20cm- in Retail Packing with plastic spool.	3919.1090	3919.1090.1100	Taiwan	2.42

Note:- The Customs values as specified in column (6) have been determined after duly accounting for the aspects of tare weights regarding spool/wrapping etc. At the assessment stage, no further allowance is admissible on any account.



6. In cases, where declared 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. In case of consignments imported by air, the assessing officers shall take into account the difference between air freight and sea freight while applying the Customs values in this Ruling.

7. **Validity of this Valuation Ruling:** This Ruling, containing the Customs values for assessment of subject imported goods, shall be applicable until and unless the same is rescinded or revised by the competent authority in terms of sub-section (4) of Section 25A of the Customs Act, 1969.

8. **Revision of the values determined vide this Valuation Ruling:** If aggrieved, a revision petition may be filed against this ruling as provided under Section 25D of the Customs Act, 1969, within 30 days from the date of its issuance, 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 this Valuation Ruling are applied by the concerned staff without fail. Any anomaly observed may kindly be

brought to the notice of this Directorate immediately. Customs values determined in the Ruling are for the description and specification as mentioned in the table above of this Ruling. 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 requisite formalities related to importability or any 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 15 of the Customs Act, 1969 or any other law in vogue therein.

10. ***This Ruling supersedes the Valuation Ruling No. 1818/2023 dated 18-10-2023.***



(Fayaz Rasool Maken)
Director

Copy for information to: -

- 1) The Member Customs (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, Baluchistan, Custom House, Quetta.
- 9) The Chief Collector of Customs, Khyber Pakhtunkhwa, Custom House, Peshawar.
- 10) The Director General, Intelligence and Investigation (Customs), FBR, Islamabad.
- 11) The Director General, PCA & Internal Audit, Karachi.
- 12) The Director General, IOCO, Karachi
- 13) The Director, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 14) The Director, Transit Trade, Custom House Karachi
- 15) The Director, Directorate of Customs Valuation, Lahore/Quetta/Peshawar.
- 16) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system.
- 17) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 18) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 19) The Karachi Customs Agents Association (KCAA), Bohri Road, Karachi.
- 20) The Webmaster, Federal Board of Revenue, Islamabad.
- 21) Guard File.