



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE, KARACHI

**The Collectors of Customs**, Collectroate of Customs, (Appraisement - West / Appraisement - East / Appraisement - Port Muhammad Bin Qasim / Enforcement JIAP / Export / Export PMBQ), Karachi / / Hyderabad / (Appraisement / Enforcement), Quetta / Gawadar / (Appraisement / Enforcement / AIIA), Lahore / Appraisement, Faisalabad / Appraisement Sambrial (Sialkot) / Enforcement, Multan / Islamabad / Gilgit - Baltistan / (Appraisement Enforcement), Peshawar / Enforcement, Dera Ismail Khan.

**DETERMINATION OF CUSTOMS VALUES OF REVERSE OSMOSIS (RO)  
MEMBRANE AND ULTRA FILTRATION (UF) MODULE UNDER SECTION  
25A OF THE CUSTOMSACT, 1969.**

(VALUATION RULING NO <sup>1575.</sup> /2021)

No.Misc/01/2021-VII/987.

Dated: -30-11-2021

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Reverse Osmosis (RO) Membrane and Ultra Filtration (UF) Module are determined as follows:

2. **Background of the valuation issue:** Recently some importers of Reverse Osmosis (RO) Membrane and Ultra Filtration (UF) Module (RO) have complained about gross under invoicing in the import of Water Filtration (RO) Membrane and Modules mainly on the ground that the values of the subject goods are traded in the international market at higher side. The import data also reflects considerable variation in import values. Therefore, an exercise to determine the Customs values of the subject goods afresh was initiated.

3. **Stakeholders' participation in determination of Customs values:** A meeting was held on 15.09.2021 with stakeholders. The participants were requested to submit following documents, so that correct customs values could be determined:-

- i) Invoices of imports during last three months showing factual 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.



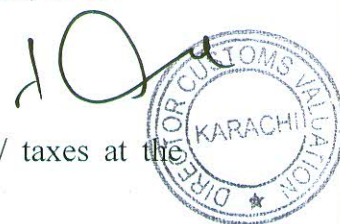
iv) Copies of Sales Tax Invoices issued during last four months showing the difference in price (excluding duty and taxes) to substantiate that the benefit of difference in price is passed on to the local buyers.

4. The requisite documents were submitted by the participants and detailed discussion viz international and local prices of the subject item alongwith various specification thereof.

5. **Method adopted to determine Customs values:** Valuation methods provided under Section 25 of the Customs Act, 1969 were followed. Transaction value method provided given in Section 25 (1) was found inapplicable because the requisite information was not available. Identical / similar goods value Methods provided in Section 25(5) & (6) were examined which provided some reference values but due to wide variation could not be exclusively relied on. Deductive Value Method as envisaged under Section 25(7) of the Customs Act, 1969, was examined but the same was not helpful because the values varied according to the selling point of the market and all specifications were not readily available. Similarly, the value method under Section 25(8) of the Customs Act, 1969, could not be applied due to non-availability of details of expenses relating to conversion costs incurred in the country of manufacture. Online values were also examined within the meaning of proviso to sub-section (1) of Section 25A inserted vide Finance Act, 2021. Consequently, customs values of Reverse Osmosis (RO) Membrane and Ultra Filtration (UF) Module were determined under Section 25(9) of the Custom Act, 1969.

6. **Customs values hereinafter specified** shall be assessed to duty / taxes at the following minimum Customs Values:-

S.No.	Description of goods	PCT	Proposed PCT for WEOC	Origin	Customs Values (Per PC) US\$
(1)	(2)	(3)	(4)	(5)	(6)
1	RO Membrane Tap Water (2"x10")	8421.2100	8421.2100.1000	USA/ Europe	35
				China/ Korea	28
2	RO Membrane Tap Water (2"x20")	8421.2100	8421.2100.1100	USA/ Europe	40
				China/ Korea	32
3	RO Membrane Tap Water	8421.2100	8421.2100.1200	USA/ Europe	175



	(4"x40")			China/ Korea	140
4	RO Membrane Brackish Water (4"x40")	8421.2100	8421.2100.1300	USA/ Europe	195
				China/ Korea	156
5	RO Membrane Sea Water (4"x40")	8421.2100	8421.2100.1400	USA/ Europe	250
				China/ Korea	200
6	RO Membrane Tap Water (8"x40")	8421.2100	8421.2100.1500	USA/ Europe	380
				China/ Korea	304
7	RO Membrane Brackish Water (8"x40")	8421.2100	8421.2100.1600	USA/ Europe	400
				China/ Korea	320
8	RO Membrane Sea Water (8"x40")	8421.2100	8421.2100.1700	USA/ Europe	500
				China/ Korea	400
9	Ultra Filtration (UF) Module (45")	8421.2100	8421.2100.1800	All Origins	780
10	Ultra Filtration (UF) Module (55")	8421.2100	8421.2100.1900	All Origins	935
11	Ultra Filtration (UF) Module (65")	8421.2100	8421.2100.2000	All Origins	1125
12	Ultra Filtration (UF) Module (75")	8421.2100	8421.2100.2100	All Origins	1350
13	Ultra Filtration (UF) Module (80")	8421.2100	8421.2100.2200	All Origins	2025




7. 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. 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.

8. **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 (4) of Section 25A of the Customs Act, 1969.

9. **Revision of the value determined vide this Valuation Ruling:** 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 issue of this ruling, before the Director General, Directorate General of Customs Valuation. 7th Floor, Custom House, Karachi.

10. 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-6. HS 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.

s.   
(Syed Fawad Ali Shah)  
Director

Copy for information to: -

- 1) The Member Customs (Policy/Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) The Chief Collector of Customs, South (Appraisalment), 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, (Enforcement), 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 Director General, Transit Trade, Custom House Karachi
- 12) The Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 13) The Director, Transit Trade, Custom House Karachi
- 14) The Director, Directorate of Customs Valuation, Lahore.

- 15) The Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 16) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 17) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 18) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 19) The Webmaster, Federal Board of Revenue, Islamabad.
- 20) Guard File.