

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 (Port Qasim/Custom House, Karachi)/Transit Trade, Karachi.

DETERMINATION OF CUSTOMS VALUES OF METALLIC YARN
UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1594 / 2022)

No. Misc/02/2010-IV/109

Dated: 31st - 01 - 2022

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, Customs values of Metallic Yarn are determined as follows:

2. **Background of the valuation issue:** Earlier, the Customs values of Metallic Yarn were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling (VR) No.1513/2021 dated 09-02-2021. Being aggrieved and dis-satisfied with the VR No.1513/2021, petitions were filed under Section 25D of the Customs Act, 1969 and these were rejected by the Director General Customs Valuation vide Order-in-Revision No.44/2021 dated 08-11-2021 with the advise to include countries like Sri Lanka, Bangladesh and Georgia in the price-determination of imports on merits. Therefore, an exercise was undertaken by this Directorate General to re-determine the customs values as per current prices in international/local markets.

3. **Stakeholders' participation in determination of Customs values:** Meeting with stakeholders, manufacturers and M/s Pakistan Yarn Merchants Association, was held on 05-01-2022. The participants attended the meetings and put forth their points of view regarding types, origins, values, cost of manufacturing and other factors which influence the values and trade. All the participants were requested to submit the following documents:


- i. Copies of invoices of imports (including GDs, ER, PL, BL, & all related imported documents each GD-wise) during last one year showing factual values.
- ii. Websites, names and E-mail addresses of known foreign manufacturers of the item in question through which the actual current values can be ascertained.
- iii. Copies of Contracts made / LCs opened during the last one year showing the value of item in question, each GD-wise.
- iv. Copies of Sales Tax Invoices issued during last one year 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, each GD-wise.
- v. Latest price catalogue issued from manufacturer, if any.
- vi. Manufacturer's discount schedule if any.

vii. Copies of export GDs of manufacturer, if any.

The contention of some participants as well as complaint regarding imports of Indian origin Yarn from transit ports like Dubai and Sri Lanka was examined and considered for the purpose of determination of Customs values of 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 due to wide variation of values in the import data. Moreover, the requisite information under law was not available to arrive at correct transaction value. Therefore, identical / similar goods value methods provided in Sections (5) & (6) *ibid* were examined for applicability to determine customs values of subject goods. The data provided some references; however, it was found that the same could not be solely relied upon due to absence of absolute demonstrable evidence of qualities and quantities, variations in declarations, variety and specifications. Information available was, hence, found inappropriate. In line with statutory sequential order of Section 25, this office conducted market inquiries from various markets to arrive at Customs values under sub-Section (7) of Section 25 of the Customs Act, 1969. The prices of different types of Metallic Yarn in the market varied significantly and were heavily dependent on quality of the metallic yarn and the location of the selling points or shops in the city. Hence this method of valuation could not be relied upon due to aforesaid reason. Valuation method *vide* Section 25(8) of the Customs Act, 1969, was examined for valuation, but the same also could not be applied due to non availability of conversion and processing cost of exporting country. Finally, all the information so gathered was then analyzed for determination of Customs values of subject goods. Consequently, Fall Back method as provided under Section 25(9) of the Customs Act, 1969 was applied to arrive at assessable Customs values of Metallic Yarn have been determined under Section 25(9) of the Customs Act, 1969.

5. **Customs values for Metallic Yarn:** Customs values of Metallic Yarn hereinafter specified shall be assessed to duty/taxes at the following minimum Customs values:-



S.No	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$/KG
(1)	(2)	(3)	(4)	(5)	(6)
1.	Aluminum Metalized Metallic Yarn (All Colors) M-Type	5605.0000	5605.0000.1000	China	4.60
			5605.0000.1100	UAE	6.05
			5605.0000.1200	Japan	6.60
			5605.0000.1300	Sri Lanka	5.90
			5605.0000.1400	Bangladesh	5.80

			5605.0000.1500	Georgia	5.70
			5605.0000.1600	Others	5.25
2.	Aluminum Metalized Metallic Yarn (All Colors) ST/ MX/ MS-Types	5605.0000	5605.0000.1700	China	4.83
			5605.0000.1800	UAE	6.28
			5605.0000.1900	Japan	6.78
			5605.0000.2000	Sri Lanka	6.13
			5605.0000.2100	Bangladesh	6.03
			5605.0000.2200	Georgia	5.93
			5605.0000.2300	Others	5.48
3.	Aluminum Metalized Metallic Yarn (All Colors) Nylon/ Viscose	5605.0000	5605.0000.2400	China	6.90
			5605.0000.2500	UAE	8.40
			5605.0000.2600	Japan	8.90
			5605.0000.2700	Sri Lanka	8.20
			5605.0000.2800	Bangladesh	8.10
			5605.0000.2900	Georgia	8.00
			5605.0000.3000	Others	7.55



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 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 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-Sections (4) of Section 25A of the Customs Act, 1969.

8. **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, 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 Custom values determined in the ruling are for the descriptions and specifications as mentioned in the above table of this Ruling. HS Codes are mentioned as 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 classifications after fulfilling all formalities related to importability or other certifications required thereon.

10. *This ruling supersedes Valuation Ruling No.1513/2021 dated 09-02-2021.*


(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, Appraisal (South), Custom House, Karachi.
4. The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
5. The Chief Collector of Customs, Appraisal (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-FBR, Islamabad.
11. The Director General, PCA & Internal Audit, Karachi.
12. The Director General, IOCO, Karachi.
13. The Directors, 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 Group, Bohri Road, Karachi.
20. The Webmaster, Federal Board of Revenue, Islamabad.
21. Guard File.