

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 VALUE OF HOT MELT ADHESIVE GLUE
STICK/ GRANUELS/ CHIPS/PELLETS/SOLID/ OTHER FORMS UNDER SECTION
25A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO 1668/2022)

C. No. Reg. Misc/12/2015/II/1555.

Dated: 24 -06-2022



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the customs value of Hot Melt Adhesive, Glue Stick/Granules/ Chips/ Pellets/ Solid and Other forms under PCT code 3506.9190 are determined as follows:

2. **Background of the valuation issue:** Earlier, the customs value of Hot Melt Adhesive, Glue Stick/Granules/ Chips/ Pellets/ Solid and Other forms was determined vide Valuation Ruling No. 1571/2021 dated 26-11-2021. Being aggrieved, some importers filed revision petition before the Director General Customs Valuation under Section 25D of the Customs Act, 1969. The Director General set aside the said Valuation Ruling vide Order-in-Revision No. 14/2022 dated 18.02.2022 and ordered the Director Valuation to undertake a fresh exercise under Section 25A of the Customs Act, 1969 to determine the customs value of the subject goods. Accordingly, an exercise for fresh determination of Customs value was initiated under Section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs value:** Meeting with all stakeholders, trade bodies including representatives of clearance Collectorates was held in this Directorate General on 05-04-2022. The importers/stakeholders were requested to submit their proposals/suggestions as well as following documents before or during the course of stakeholders' meeting so that Customs value could be determined:


- i. Invoices of import 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 meetings were attended by importers and other stakeholders. Their views were heard in detail to arrive at customs value of subject goods. The importers contended that the Hot Melt Adhesives are being imported in different forms as well as grades and due to this reason there is wide variation in prices. The participants submitted that the value in the

previous Valuation Ruling was on higher side, therefore, customs value of subject goods may further be rationalized downward to reflect the true transactional value. The view points of stakeholders were heard in details and considered to arrive at customs value of the subject goods. However, none of importers submitted requisite documents to support their contention.

5. **Methods Adopted to Determine Customs Value:** Valuation methods provided in Section 25 of the Customs Act, 1969, were duly applied in their regular sequential order to arrive at customs value 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 no substantial documents were provided by the stakeholders to prove that their declared values were true transactional values. Moreover, different values were declared by different importers for same product according to different origins. Identical/similar goods value methods provided in Sections 25 (5) & (6) *ibid* were examined for applicability to determine customs value of subject goods. In line with statutory sequential order of section 25, this office conducted market inquiries, but due to industrial nature, items were not readily available in the market. All the available information was analyzed and evaluated. However, import clearance was taken into consideration, examined and consequently, similar and identical methods as provided under Section 25(5)&(6) of the Customs Act, 1969 were applied to arrive at assessable Customs value of Hot Melt Adhesive, Glue Stick/Granules/ Chips/ Pellets/ Solid and Other forms.

6. **Customs value for Hot Melt Adhesive (Glue Stick/Granules/ Chips/ Pellets/ Solid/ Other forms), hereinafter specified** shall be assessed to duty/taxes on the minimum Customs value mentioned against them in the Table below:



S. No	Description	PCT code	Proposed PCT code for WeBOC	Origin	Customs Value (C & F) US\$/ Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Hot Melt Adhesive (Glue Stick)	3506.9190	3506.9190.1000	All Origins	2.99
2	Hot Melt Adhesive (Granules/ Chips/ Pellets)	3506.9190	3506.9190.1100	China, U.A.E, Saudi Arabia, Indonesia, Malaysia, Thailand	3.15
			3506.9190.1200	Japan, Europe, USA, Canada	3.60
			3506.9190.1300	Other Origins	3.33
3	Hot Melt Adhesive (Solid and Other form)	3506.9190	3506.9190.1400	China, U.A.E, Saudi Arabia, Indonesia, Malaysia, Thailand	2.62
			3506.9190.1500	Japan, Europe, USA, Canada	3.39
			3506.9190.1600	Other Origins	2.76

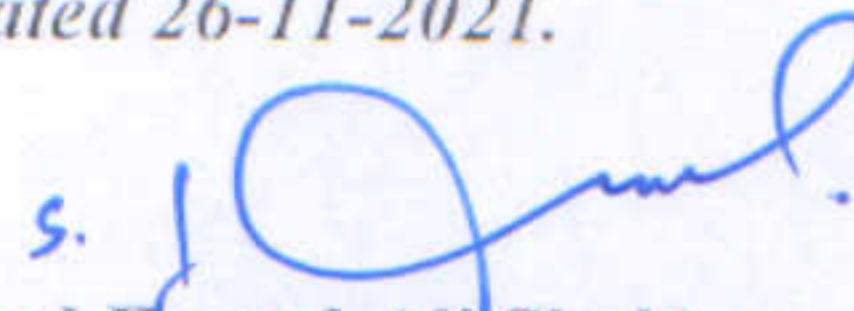
7. In cases where declared values are higher than the customs value determined in this Ruling, the assessing officers shall apply those value in terms of sub-Section (1) of Section 25 of the Customs Act, 1969, and the same may be communicated to this Directorate General forthwith. In case of consignments imported by air, the assessing officer shall take into account the difference between air freight and sea freight while applying the customs value determined in this Ruling.

8. **Validity of 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 (4) of Section 25A of the Customs Act, 1969 read with Rule 107(a) of the Customs Rules, 2001.

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, 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 this 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. Customs determined in the ruling are for the description and specification as mentioned in the above table of this Ruling. PCT Codes are mentioned for illustrative purpose 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 certification 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.

11. *This Ruling supersedes Valuation Ruling No. 1571/2021 dated 26-11-2021.*


(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, Appraisalment (South) Custom House, Karachi.
- 4) The Chief Collector of Customs, Enforcement (South), Custom House, Karachi.
- 5) The Chief Collector of Customs, Appraisalment (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 & WEBOC database system.
- 18) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 19) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 20) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 21) The Webmaster, Federal Board of Revenue, Islamabad.
- 22) Guard File.