

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

DETERMINATION OF CUSTOMS VALUES OF CHLORINATED PARAFFIN WAX
UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO. 1798 /2023)

C.No.Misc/06/2016-II/777.

Dated: 21 -08-2023

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

Background of the valuation issue: Earlier, the Customs values of Chlorinated Paraffin Wax and Calcium Carbide were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1727/2023 dated 11-01-2023. 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:** Meeting was convened on 03.08.2023 which was attended by all the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meeting. They submitted their proposals for consideration 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 values are higher in the Valuation Ruling and same need to be revised downwards at prevailing international prices. They also submitted proposals in this regard. Mr. M. Abid Nisar of M/s. Seven Star International stated that they are the indenters / agents of M/s. Fast Cables & M/s. GM Cables. They import Chlorinated Paraffin (Liquid) 52% from Taiwan and use it in the manufacturing of electric cables. He further said that the recent consignment of Chlorinated Paraffin wax (Liquid) 52% was imported by M/s. Fast Cables @ US\$ 0.820/kg in the month of June 2023. According to him, the current prices of Chlorinated Paraffin wax (Liquid) 52% and below hover around US\$ 0.800/kg. He was of the opinion that their supplier M/s. Handy Chemical Corporation is a reputable company worldwide and never indulges in under-invoicing. He submitted copies of GDs & export receipts to substantiate his claim. Mr. Ali Arsalan of M/s. Fast Cables stated that they are the manufacturers of electric cables and Chlorinated Paraffin is one of its major ingredient. He further informed that their latest consignment was imported @ US\$ 0.820/kg. However, the VR value is US\$1.10/kg. He complained about the additional cost incurred by their company on account of higher Customs value as well as recently enhanced regulatory duty. He requested to revise the Customs values of Chlorinated Paraffin downwards. Mr. Umar of M/s. Fast Cables was of the



view that the international prices of Chlorinated Paraffin are lower than the Customs values determined by the Directorate General of Valuation in the existing VR No. 1727/2023 dated 11-01-2023. He requested to revise the Customs values of Chlorinated Paraffin downwards. Mr. Rehan Qaiser of M/s. LG Petro-Chemicals Pvt. Ltd. stated that they import Chlorinated Paraffin 62% from KLJ Resources PTE Ltd. Qatar. Import value of their latest consignment was US\$ 0.70/kg. He requested to determine the Customs values in line with current market values. In addition to these proposals, Ninety (90) days' clearance data has also been retrieved and the same has been scrutinized.

4. **Method (s) adopted to determine Customs values:** Valuation methods specified in Section 25 of the Customs Act, 1969, were duly applied in sequential order to arrive at the 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 absence of information as required under sub-section (2) of Section 25 of Customs Act, 1969. Therefore, identical/similar goods value methods provided in Section 25(5) (6) *ibid* were examined for applicability to determine Customs values of subject goods. On the basis of available data/information collected and exercise conducted, the values of Chlorinated Paraffin Wax have been determined under sub-section (5), read with Section 25(9), of Section 25 of the Customs Act, 1969.

5. **Customs values of Chlorinated Paraffin Wax** – Chlorinated Paraffin Wax, hereinafter specified, shall be assessed to duty / taxes at the Customs values as per the following table:

Sr. No.	Description of Goods	PCT Code	Proposed PCT for WeBOC	Origin	Customs Value (C&F) US\$/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Chlorinated Paraffin Wax (Chlorine content 62%)	3824.9980	3824.9980.1000	China	0.75
			3824.9980.1100	Qatar	0.74
			3824.9980.1200	Other origins	0.80
2	Chlorinated Paraffin Wax (all other grades including Chlorine content 52%)	3824.9980	3824.9980.1300	China	0.84
			3824.9980.1400	Qatar	0.83
			3824.9980.1500	Taiwan	0.85
			3824.9980.1600	Other origins	0.85



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 Valuation Ruling supersedes the Sr. 01 & 02 of Valuation Ruling No.1727/2023 dated 11-01-2023.*



(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, 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, 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.