

The Collector of Customs, Collectorate of Customs (Appraisement -West / Appraisement -East / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP), 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 / Exports (Port Qasim / Custom House Karachi) / Transit Trade, Karachi.

DETERMINATION OF CUSTOMS VALUE OF PVC PANAFLEX/ BANNER SHEETS  
UNDER SECTION 25A OF THE CUSTOMS ACT, 1969

(VALUATION RULING NO 1612/2022)

C. No. Misc/16/2009-II/275.

Dated: 27 -03-2022



In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the customs value of PVC Panaflex/ Banner Sheets are determined as follows:

2. **Background of the valuation issue:** Earlier, the customs value of PVC Panaflex/ Banner Sheets were determined vide Valuation Ruling No. 1541/2021 dated 29.07.2021. Being aggrieved, some importers filed revision petitions under Section 25D of the Customs Act, 1969 before the Director General of Customs Valuation. The Director General vide Order in Revision No.45/2021 dated 09.09.2021 rejected the petitions with the remarks: "*Before parting with this decision, I find it necessary to observe that in view of changes in the international economic environment, including higher costs of freight and related inputs used in the manufacturing of PVC flex banner sheets, the Director, Customs (Valuation), Karachi may revisit the impugned Valuation Ruling to ensure it remains reflective of the prices in the international market.*" Various representations were also received for fresh determination of customs values of subject goods. Accordingly, an exercise was undertaken by this Directorate General to determine the customs value of subject goods.

3. **Stakeholders' participation in determination of Customs values:** Meeting was held on 04-01-2022 with the stakeholders and trade bodies in this Directorate General. The importers/ local manufacturers 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 values
- 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 meeting was attended by importers and stakeholders including the local manufacturers and their views were heard in detail to arrive at customs values of subject goods. The local manufacturer contended that the valuation ruling should be revised upward in accordance with current price trend of the raw material in the international market and enhanced freight element. The importers vehemently opposed the local pricing references of the domestic manufacturers of identical

/ similar goods in terms of "prohibited method" of Valuation as provided in Rule 110 (i) of sub-chapter II of Chapter IX of Customs Rules, 2001. The importers also contended that the prices of raw material of PVC Panaflex /Banner Sheets have decreased in the international market and freight charges have reduced due to adjustment of post Covid-19 market. They have also submitted certificate of Chinese supplier showing percentage of raw materials used in the manufacturers PVC Panaflex and composition. The view points of stakeholders were heard in detail and they were requested to submit the requisite import documents and current international prices of the raw materials. The given composition and ratio were also used to arrive at customs values of the aforementioned. It was also noticed that the prices of raw material used for the manufacturing of subjects goods were showing declining trend in 2022 vis-a-vis prices in October, 2021.

5. **Methods 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 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 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 of commercial level etc. Information available was, hence, found inappropriate. In line with statutory sequential order of section 25, this office conducted market inquiries using deductive value methods under sub-section (7) of Section 25 of the Customs Act, 1969, wide ranges of prices were observed for some items depends upon multiple factors like variety/quality/quantity/ GSM etc., and location of market. Hence this method of valuation could not be relied upon due to aforesaid reasons. Valuation method vide Section 25(8) of the Customs Act, 1969, was examined for valuation, in the light of prices of raw materials and its percentage used for manufacturing of PVC Panaflex/Banner Sheets including freight elements, but the same also could not be applied due to non availability of conversion and processing cost of exporting country. Finally, clearance data, raw material prices, international prices through internet/ subscriptions were examined thoroughly and the information so gathered were utilized and analyzed for determination of Customs Values of PVC Panaflex/ Banner Sheets under Section 25(9) of the Customs Act, 1969.

6. **Customs Values of PVC Panaflex/ Banner Sheets - *hereinafter specified*** shall be assessed to duty/taxes on the minimum Customs values mentioned against them in the Table below:

Sr. No.	Description of Goods	PCT Code	Proposed PCT for WeBOC	Origin	Custom Value (C&F) USS/kg
(1)	(2)	(3)	(4)	(5)	(6)
1	PVC Panaflex/ Banner Sheets	3921.1200 3921.9090	3921.1200.1000 3921.9090.1000	China	1.35
			3921.1200.1100 3921.9090.1100	Other Origins	1.55



7. In cases where declared values are higher than the customs value 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, and the same may be communicated to this Directorate General forthwith. In

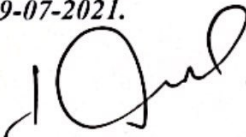
case of consignment imported by air, the assessing officer shall take into account the difference between air freight and sea freight while applying the customs values determined in this Ruling.

8. **Validity of Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs values 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, 7<sup>th</sup> 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 Directorate General immediately. Customs values 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. 1541/2021 dated 29-07-2021.***

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, 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 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.
- 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.