

The Collectors of Customs, Collectorates of Customs (Appraisalment – West)/ Appraisalment – East / SAPT / Appraisalment – Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi / Hyderabad/ (Appraisalment/Enforcement), Quetta/Gawadar/ Khuzdar (Appraisalment / Enforcement/ AIIA), (Appraisalment – East / Appraisalment –West, Lahore/ Faisalabad Appraisalment / Enforcement, Sargodha/ Enforcement. 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 CALCIUM CARBIDE UNDER SECTION 25A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING NO. 1824 /2023)**

C.No.Misc/06/2016-II/1026

Dated: 10-11-2023

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

**Background of the valuation issue:** Earlier, the Customs values of 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. The Honourable Customs Appellate Tribunal vide Judgment dated 12.07.2023 set aside the said VR. Afterwards, different stakeholders requested to re-determine Customs values of Calcium Carbide afresh in line with values prevalent in the international market. Therefore, an exercise has been undertaken by this Directorate to determine the same.

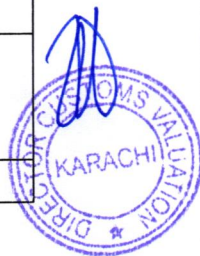
- Stakeholders' participation in determination of Customs values:** Meeting was convened on 03.08.2023 which was attended by the relevant stakeholders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the aforementioned meeting. The participants submitted their proposals for consideration and the same were considered pertaining to the valuation of subject goods.
- 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. Mr. Malik Toufique, a representative of M/s. New Light House, started discussion by saying that they import Calcium Carbide which can be used in the manufacturing of Acetylene Gas, Oxygen, and Fruit ripening. He stated that Calcium Carbide can be used as intermediary as well as finished goods. He informed that the Customs values of Calcium carbide were enhanced up to 100% in the previous Valuation Ruling No. 1603/2022 dated 25-02-2022 due to the issues of logistics & high freight charges at the time of Covid-2019 pandemic. The said VR was challenged before the Customs Appellate Tribunal. The VR Value for Calcium carbide was then revised downwards from US\$ 1.54/kg

to US\$ 1.35/kg in the existing VR No. 1727/2023 dated 11-01-2023. The existing VR was also challenged before the Director General and then the Customs Appellate Tribunal. The Honourable Customs Appellate Tribunal set aside the existing VR ab initio vide Judgment dated 12.07.2023. He further claimed that the prices of Calcium Carbide of China origin currently hover around US\$ 0.650/kg to US\$ 0.690/Kg. Moreover, he said, seasonal changes also impact prices of Calcium carbide at the rate of around US\$50 to US\$100/MT. He also mentioned that the Customs duties and other taxes have been increased up to 65%. Inflationary pressure is also creating issues for import. He suggested to link the prices of Calcium carbide with the prices published by China Alkali & Alkaline Metal Conference in its weekly reports. Mr. Bilal Taqi of M/s. Nizami Brothers stated that they import Calcium Carbide from China, the value of which currently stands around 650-660 US\$/ MT. He requested to link the prices of Calcium carbide with the FOB prices published by China Alkali & Alkaline Metal Conference in its weekly reports and add freight charges. Mr. Farukh Saleem of M/s. Nizami Brothers submitted weekly reports of China Calcium Carbide (CCAON) of the last three weeks. Ninety (90) days' clearance data has 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. 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 quantities and qualities and variation in declaration. Information available was, hence, found incomplete. In line with statutory sequential order of Section 25 of the Customs Act, 1969, this Directorate conducted market survey under sub-section (7) of Section 25 of the Customs Act, 1969. However, it was observed that the subject goods, being industrial in nature, are not readily available in the local market. Reliance was finally made on the sales tax invoices provided by the stakeholders. On the basis of available data / information collected and exercise conducted, the values of Calcium Carbide have been determined under sub-section (7), read with Section 25(9), of Section 25 of the Customs Act, 1969.

5. **Customs values of Calcium Carbide -** Calcium Carbide, 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	Calcium Carbide	3849.1000	3849.1000.1000	China/ Far East/ Middle East	0.95
2			3849.1000.1100	Other Origins	1.00



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, 7<sup>th</sup> 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. 03 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.

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Menmood ul Hasan Awan  
General Secretary  
Karachi Customs Agents Association