

The Collector of Customs, Collectorate of Customs, (Appraisement - West / Appraisement - East / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP / Export / Export, PMBQ), 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.

**DETERMINATION OF CUSTOMS VALUES OF UN-COATED DECORATIVE
BASE PAPER FOR PRINTING UNDER SECTION 25A OF THE
CUSTOMS ACT, 1969.**

(VALUATION RULING NO/555/2021)

No.V.Khi/01/Decorative.B.P/25A/III /828.

Dated: 22-10-2021

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs values of Un-Coated Decorative Base Paper for Printing are determined as follows:

2. Background of the valuation issue: Earlier Custom values of Un-Coated Decorative Base Paper for Printing were determined vide Valuation Ruling No. 1525/2021 dated 26.03.2021. During data analysis, it was observed that the prices of said item has been showing upward trend in international market. Therefore, an exercise was initiated in this Directorate to re-determine the customs values of subject item under Section 25A of the Customs Act, 1969.

3. Stakeholders' participation in determination of Customs values: Meeting with all stakeholders, trade bodies including representatives of clearance Collectorates were held in this Directorate General on 29-09-2021. 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 values 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 and their points of view were heard in detail to arrive at custom values of subject goods. During the meeting M/s Wali Laminates (Pvt) Ltd. contended that prices of Un-Coated Decorative Base Paper for Printing have increased in international market due to increase in the prices of paper pulp and allied manufacturing costs due to Covid implication. One commercial importer present also concurred with this view. As a result commercial importers tended to understate their values

at import stage. Accordingly, the values be revised in the VR. They also provided documentary evidences in support of their claim.

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 hence found inappropriate. In line with statutory sequential order of section 25, this office conducted market inquiries under sub-section (7) of Section 25 of the Customs Act, 1969, but due to industrial nature of item, it was not openly available in local market. Therefore, valuation method vide Section 25(8) of the Customs Act, 1969, was examined for valuation but the same also could not be applied as the conversion cost from the constituent material and allied expenses, at the country of export, were not available for manufacturing of Un-Coated Decorative Base Paper for Printing. Finally, clearance data, market information, proposal from importers and international prices through subscriptional web-sites were examined thoroughly and the information so gathered were utilized and analyzed for determination of Customs Values Un-Coated Decorative Base Paper for Printing under Section 25(9) of the Customs Act, 1969.

6. Customs values for Un-Coated Decorative Base Paper for Printing-hereinafter specified shall be assessed to duty/taxes on the following minimum customs values given against them in the Table below:-

S.No	Description	Specification	PCT	Proposed PCT for WeBOC	Origin	Customs Values C & F US\$/Kg
(1)	(2)		(3)	(4)	(5)	(6)
1	Un-Coated Decorative Base Paper for Printing	White/ Off White	4802.5510	4802.5510.1000	China	1.25
		Colored		4802.5510.1100		1.33
2	Un-Coated Decorative Base Paper for Printing	White/ Off White	4802.5510	4802.5510.1200	Other Origins	1.72
		Colored		4802.5510.1300		1.83

7. 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 90 days, 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.

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 Directorate General immediately. Customs values determined in the ruling are for the description and specification as mentioned in the above table of this Ruling. HS 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 the Valuation Ruling No. 1525/2021 dated 26.03.2021*


(Syed Fawad Ali Shah)
Director

Copy for information to: -

- 1) The Member Customs (Policy/Operations), F.B.R., Islamabad.
- 2) The Chief Collector of Customs Appraisalment (South), Custom House, Karachi.
- 3) The Chief Collector of Customs Enforcement (South), Custom House, Karachi.
- 4) The Chief Collector of Customs Appraisalment (Central), Lahore.
- 5) The Chief Collector of Customs Enforcement (Central), Lahore.
- 6) The Chief Collector of Customs (North), Islamabad.
- 7) The Chief Collector of Customs, KPK, Custom House, Peshawar.
- 8) The Chief Collector of Customs, Balochistan, Custom House, Quetta.
- 9) The Director General, Customs Valuation, Custom House, Karachi.
- 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.