



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

RULING U/S 25A NO. 35/

No. Misc-17/2010-II/II (B)

Dated 2-07-2011

Note

- (i) The Customs value determined under this Valuation Ruling shall be applicable customs value for assessment of relevant goods until and unless revised or rescinded by the competent authority.
- (ii) Revision petition/ Review application against this valuation ruling may be filed before the Director General of Customs Valuation under Section 25D of the Customs Act, 1969, within thirty (30) days from the date of determination of customs value under this ruling.

The Collectors of Customs, Model Customs Collectorates (Appraisement/ PaCCS/ Port Qasim/ Preventive), Karachi/ Lahore/ Sambrial/ Faisalabad/ Multan/ Islamabad/ Hyderabad/ Quetta/ Peshawar

SUBJECT: DETERMINATION OF CUSTOMS VALUE OF ISOCYNATE, POLYOL, CATALYST AND HARDNER UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.

On receipt of representation from different importers and M/s. Pakistan Foot Ware Manufacturer Association, Lahore, regarding under invoicing and mis-declaration in the import of Isocynate, Polyol, Catalyst and Hardner, this Directorate General initiated an exercise under Section 25A of the Customs Act, 1969, for fair value determination of the said goods.



2. Meetings were fixed with stakeholders on 14-06-2011 & 23-06-2011. Representative of M/s. Pakistan Foot-Ware Manufacturer Association, stated a guideline for assessment of Isocynate, Polyol, Catalyst and Hardner was issued by MCC (PaCCS) @US\$2.05/kg for all origins, whereas prices of China, Singapore, Korea and Italy origins are different on account of quality freight and other factors and are also imported at higher values than guideline prices. Moreover some importers are even importing the identical products on lower values and are being assessed on lower values than declared in the guideline issued by MCC (PaCCS). Moreover, the instant items (collectively called PU Resin) for foot-ware sole manufacturing is a bio-product of Petroleum and internationally their raw material i.e. APDIC, ADIC (AA) & MDI, prices are also gone upwards to the extent of 25%, hence, fair and uniform values be determined for all customs stations.

3. This Directorate General checked the import data which revealed abnormal variation in declared values and could not be relied upon as true transaction values under Section 25 (1) and on the same analogy, subsequent valuation method i.e. identical/similar goods, could also not be adopted. Since, the subject goods are imported for industrial purpose and used in manufacturing of Foot Ware Sole, therefore Deductive Valuation Method, as

stipulated under Section 25 (7), could also not be applied. Cost of manufacturing of instant goods in country of export is not available, therefore, Computed Valuation Method in terms of Section 25 (8) could also not be made a sole basis of value determination.

4. Accordingly, following customs values have been worked out and determined under Fall Back Method, in terms of Section 25 (9) of the Customs Act, 1969:-

| Description | H.S.Code | Origin | Customs Value (US\$/kg) |
|---|--|---|-------------------------|
| (1) | (2) | (3) | (4) |
| Isocyanate Polyol Catalyst Hardener. | 3824.9091 3907.2000 3815.9000 3824.9099 | China | 2.21 |
| Isocyanate Polyol Catalyst Hardener | 3824.9091 3907.2000 3815.9000 3824.9099 | Singapore, Thailand, Taiwan & Philippine | 2.67 |
| Isocyanate Polyol Catalyst Hardener | 3824.9091 3907.2000 3815.9000 3824.9099 | Europe | 2.84 |
| Isocyanate Polyol Catalyst Hardener | 3824.9091 3907.2000 3815.9000 3824.9099 | Others | 3.12 |

5. The above customs value are hereby determined under Section 25A of the Customs Act, 1969. All Collectorates are advised to finalize the assessment of subject goods accordingly. If declared/invoice value is higher than the above determined values, then such higher value shall be applied for assessment purpose in terms of Section 25 of the Customs Act, 1969.


 (MUHAMMAD TAHIR)
 DIRECTOR

Distribution.

1. S.A to Chairman, Federal Board of Revenue, Islamabad.
2. Member (Customs), Federal Board of Revenue, Islamabad.
3. Chief Collectors of Customs (North/South), Lahore/Karachi.
4. The Director General of Intelligence Investigation-FBR, Islamabad.
5. The Director General of Customs Valuation, Karachi.
6. The Director General of Post Clearance Audit, Karachi.
7. The Directors of Intelligence Investigation-FBR, Karachi/ Lahore/ Islamabad.
8. The Deputy Director (I/Int.), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & PaCCS database on the date of issue of this ruling.
9. Chairman (Valuation Committee), FPCC&I, Federation House, Karachi.
10. Chairman (Valuation Committee), KCCI, Alwar-e-Tijarat Road, Karachi.
11. Karachi Customs Agents Group (KEAG), Bohri Road, Karachi.
12. Guard File.