

**The Collectors of Customs,** Collectorate of Customs (Appraisement -West / Appraisement - SAPT / Appraisement -East / Appraisement - Port Muhammad Bin Qasim / Enforcement / JIAP), Karachi /Hyderabad / (Appraisement / Enforcement),Quetta / Gawadar / (Appraisement / Enforcement / AllIA), 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 VALUES OF ABRASIVE PRODUCTS UNDER**  
**SECTION 25A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING NO. 1872 /2024)**

C. No. Misc/19/2010-V/336

Dated: 04-04-2024

In exercise of the powers conferred under Section 25A of the Customs Act, 1969, the Customs value of Abrasive Products are determined as follows:

2. **Background of the valuation issue:** Earlier, the Customs values of Abrasive Products were determined vide Valuation Ruling No. 1658/2022 dated 16-06-2022. As the prices of the said goods have considerably changed in the international market, this Directorate initiated an exercise for fresh determination of Customs Value of subject goods under Section 25A of the Customs Act, 1969.

3. **Stakeholders' participation in determination of Customs value:** Meetings were convened on 13.09.2023 and 29.02.2024 which were attended by relevant stake holders. The issues pertaining to the valuation of subject goods were deliberated upon in detail in the afore-referred meetings.

4. **Analysis / Exercise done to determine Customs Values:** The importers informed that the customs values in the existing Valuation Ruling are on the higher side, which may be rationalized considering the worldwide recession and existing freights which have decreased substantially. In this regard, they were requested to submit the requisite documents to support their contention and some of the importers submitted the requisite documents. Moreover, recent import data has been scrutinized and market inquiry has been conducted of the subject goods in the light of this Directorate's Office Order No.17/2014 dated 19-03-2014 and in terms of Section 25 (7) read with Section 25(9) of the Customs Act, 1969.

5. **Methods Adopted to Determine Customs Value:** Valuation methods, provided in Section 25 of the Customs Act, 1969, were duly applied in 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. Market enquiry as envisaged under Sub-Section (7) of Section 25 of the Customs Act, 1969 was also conducted, various wholesale markets were visited to observe the actual prices of Abrasive Products of different origin and brand. The exercise provided some applicable reference values. Valuation method vide Section 25(8) of the Customs Act, 1969, was examined for valuation, but the same also could not be applied due to non-availability of conversion and processing cost of exporting country. Finally, the Customs values of the subject goods have been determined under Section 25(9), read with Section 25(7) of the Customs Act, 1969, and Customs Rule 121(2) of Customs Rules, 2001 which provides that the methods of valuation, to be employed under sub-section (9) of section 25 of the Customs Act 1969 may be inclusive of those laid down in sub-sections (1), (5), (6), (7) and (8) of the said section, but a reasonable flexibility in the application of such methods would be in conformity with the aims and provisions of sub-section (9) of that section.

**6. Customs values for Abrasive Products - hereinafter specified** shall be assessed to duty/ taxes on the Custom values given against them in the Table below: -

Sr. No.	Description of Goods	PCT Codes	PCT Codes for WeBOC	Origin	Customs Values (C&F) USS/Kg
(1)	(2)	(3)	(4)	(5)	(6)
1	Abrasive Fiber / Paper Disc	6805.2000 6805.3000	6805.2000.1000	China	4.25
			6805.3000.1000		
			6805.2000.1100	Korea	4.85
			6805.3000.1100		
2	Abrasive Fiber / Paper Roll	6805.2000 6805.3000	6805.2000.1200	Europe	5.30
			6805.3000.1200		
			6805.2000.1300	China	3.65
			6805.3000.1300		
3	Abrasive Cloth Sheet	6805.1000	6805.2000.1400	Korea	4.10
			6805.3000.1400		
			6805.2000.1500	Europe	4.60
			6805.3000.1500		
4	Abrasive Cloth Roll	6805.1000	6805.1000.1000	China	2.10
			6805.1000.1100	China	3.60
			6805.1000.1200	Korea	4.80
			6805.1000.1300	Europe	7.15
5	Abrasive Kraft Paper Sheet / Roll	6805.2000	6805.2000.1600	China	2.35
			6805.2000.1700	Korea	2.65
			6805.2000.1800	Thailand	2.50
6	Abrasive Latex Paper Sheet / Roll	6805.2000	6805.2000.1900	China	3.20



**7.** 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.

**8. 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.

9. **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.

10. The Collectors of Customs may kindly ensure that the values given in the Valuation Ruling, for the given description of goods, are applied by the concerning assessing officers / officials without fail. Any anomaly observed may kindly be brought to the notice of this Directorate immediately. The Customs values determined in the ruling are for the descriptions and specifications as mentioned in the aforementioned table in this Ruling. HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessments shall be finalized on the basis of correct classifications after fulfilling all formalities related to importability or other certifications required thereon.

11. *This Ruling supersedes Valuation Ruling No.1658 /2022 dated 16-06-2022.*

  
(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 Directors, 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, Bohri Road, Karachi.
20. The Webmaster, Federal Board of Revenue, Islamabad.
21. Guard File.