GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI
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The Collectors of Customs, Model Customs Collectorates of Appraisement East / West / Port Qasim / Preventive (Karachi) / Appraisement (Lahore) / Preventive (Lahore) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar and Gilgit-Baltistan.

Determination of Customs Values of Methanol under Section 25-A of the Customs Act, 1969.

(VALUATION RULING NO. 1157 / 2017)

No. Misc/ 16 /2017-II/1291 Dated: 10 -05-2017

In exercise of powers conferred under Section 25-A of the Customs Act, 1969, Customs value of Methanol is determined as follows:

2. **Background of the valuation issue:** The item Methanol is selected to determine the customs value under Section 25A of the Customs Act 1969 due to wide variation in declared and assessed values. The Customs values are determined for uniform application across the board.

3. **Stakeholders' participation in determination of Customs values:** Meeting with the stakeholders including importers and Pakistan Chemicals and Dyes Merchants Association (PCDMA) and representatives from clearance Collectorates, was held on 06.04.2017 to discuss the current international prices of the subject chemical. The stakeholders contended that the prices of Methanol fluctuate regularly in the international market and that fluctuation can be monitored through prices quoted in ICIS Scan internationally. They requested that as the prices of Methanol are available in ICIS Scan, therefore same may be linked with the ICIS scan prices for fair treatment to the trade in accordance with international market prices, as is being done in case of plastic raw material on plastic Scan prices, iron and steel products on London Metal Bulletin prices and so many other items on the prices quoted in reputed international bulletins.

4. **Method 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 address the particular valuation issue at hand. The transaction value method as provided in Sub-Section (1) of Section 25, found inapplicable in light of the wide variety of invoices submitted at import stage the veracity of which could not be ascertained fully, hence requisite information required under law was not available to arrive at the correct transaction value. Identical / similar goods

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value method provided vide Sub-Sections (5) & (6) of Section 25 ibid were examined for applicability to determine Customs value of subject goods, this data provided some references, however, it was found that the same cannot be solely relied upon due to the absence of absolute demonstrable evidence of qualities, and quantities of commercial level etc., and also it was observed that importers usually provided misleading description while declaring goods, as other types and varieties of similar goods to avoid the application of valuation ruling. Information available was, hence, found inappropriate. In line with the statutory sequential order of Section 25, this office then conducted a market inquiry using Deductive Value Method under Sub-Section (7) of the Section 25 of the Customs Act, 1969, however, since the Methanol for industrial use is not readily available in the local market it was found that the determination of Customs value could not be based solely upon this method either. Therefore, valuation method provided vide Section 25 (8) of Customs Act 1969, could not be applied as the conversion cost from constituent materials and allied expenses, at country of export were are not available. Finally, PRAL database, market information and international prices through ICIS Scan were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject items. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive assessable customs values of the Methanol.

5. **Customs values for Methanol:** Methanol, ***hereinafter specified*** shall be assessed to duty/taxes at the following Customs Values : -

S. No	Description of goods	PCT Code	Proposed PCT for WEBOC	Origin	Customs Values (C&F) US$/KG
1.	**Methanol**	**2905.1100**	**2905.1100.1000**	**All origin**	i) Bulk - Vessels: Average CFR prices as published in ICIS Scan ii) Bulk- Iso Tanks: Average CFR prices as published in ICIS Scan + US$ 100/M. Ton for Iso -Tank & other charges. iii) Drum Packing: Average CFR prices as published in ICIS Scan + US$ 200/ M. Ton for drum packing & other charges.
2	***Note:- In case the prices published in ICIS Scan are in FOB terms then US$40/M.Ton will be added on account of freight and other charges for imports from India, China, Middle East and Far East and US$45/M.Ton will be added on account of freight and other charges for imports from Russia, Europe, America and Canada.***				

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6. In cases where declared/ transaction 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 officer shall take into account the differential between air freight and sea freight while applying the Customs values determined in this Ruling. The Custom values determined in the Valuation Ruling are for the descriptions and specifications as mentioned herein, HS Codes are mentioned for illustrative purposes so that Valuation Ruling values are made accessible to the assessing officers. The assessment shall be finalized in the correct classifications after fulfilling requisite formalities relating to importability or other certifications required thereon.

7. **Validity of this Valuation Ruling:** The values determined vide this Ruling shall be the applicable Customs value for assessment of subject imported goods until and unless it is rescinded or revised by the competent authority in terms of Sub-Sections (1) or (3) of Section 25-A of the Customs Act, 1969.

8. **Revision of the value determined vide this Valuation Ruling:** This Valuation Ruling is appealable under the law and a revision petition may be filed against this Ruling, under Section 25-D of the Customs Act, 1969, within 30 days from the date of issue of this ruling before the Director General, Directorate General of Customs Valuation, 7th Floor, Custom House, Karachi.

9. The Collectors of Customs may kindly ensure that the values given in the 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.

(Dr. Wasif Ali Memon)
Director

Copy for information to: -

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisement), Custom House, Karachi.
4. Chief Collector of Customs, South (Enforcement), Custom House, Karachi.
5. Chief Collector of Customs (Central), Lahore.
6. Chief Collector of Customs (North), Islamabad.
7. Director General, Intelligence and Investigation-FBR, Islamabad.
8. Director General, Audit (Customs & Petroleum), 1st Floor, PT&T Audit Building, Mauj-e-Darya Road, Lahore.