

## **Customs value of pipes and pipe fittings revised**

Directorate General Customs Valuation (DGCV) has revised the customs values of UPVC, CPVC, PPRC pipes and pipe fittings under section 25 (9) of the Customs Act, 1969. The customs values of UPVC, CPVC, PPRC pipes and pipe fittings were determined vide valuation ruling 1001 in 2016.

This valuation ruling along with revision order 349/2017 were set aside by the customs appellate tribunal vide order K-695-698 in 2017. A reference against the said order has already been filed in the high court. There were numerous representations from importers and local manufacturers for determination of customs value of subject items afresh on the basis of plastic raw material prices published by the Pakistan Plastic Manufacturers Association as well as imports data.

All Pakistan PVC & Plastic Pipe Manufacturers Association has also submitted their proposals. Keeping the above factors in view, the Directorate General has initiated an exercise for determination of the customs values of the subject items in terms of section 25-A of the Customs Act, 1969 to align the values according to prevailing prices of the subject items in the international market. For the purpose, the meeting with the stakeholders including importers and representatives from clearance Collectorates was held on December 28, 2017 to discuss the current international prices of the subject items.

Representatives of FPCCI, importers and manufacturers attended the meeting and submitted their proposals on the basis of price trend of plastic raw materials however sales tax invoices were not produced. Therefore, reliance was placed on the available record and information as obtained during the process of this exercise.

The valuation methods provided in section 25 of the Customs Act, 1969 were duly applied in their sequential order to arrive at 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 wide variations in declarations and incomplete description of specifications.

Therefore, requisite information required under law was not available to arrive at the transaction value. Similar goods value methods provided in sub-section (5) & (6) of section 25 of the Customs Act, 1969 provided some reference values but due to wide variations in the declarations the same could not be relied upon exclusively.

Thereafter, market enquiries as envisaged under section 25(7) of the Customs Act, 1969, was conducted. Online values were also obtained. The importers had been requested to submit requisite documents but in spite of lapse of considerable time, the record/documents were not submitted which could help in determination of customs values. Resultantly repeated market surveys were conducted so that values of pipes and fittings of different specifications could be covered in the ruling. The values varied from one segment of the market to the other. The descriptions, specifications, values and ratios of constituent raw materials of the subject items were worked out under section 25(8) of the Customs Act, 1969. These worked out values were compared with the results of information already collected to arrive at customs values. Later, all gathered information was evaluated and analyzed for the purpose of determination of customs

values. Consequently, the customs values of UPVC, CPVC, PPRC pipes and pipe fittings have been determined under section 25 (9) of the Customs Act, 1969.

***Copyright Business Recorder, 20/8/2018***