



GOVERNMENT OF PAKISTAN  
DIRECTORATE GENERAL OF CUSTOMS VALUATION  
CUSTOM HOUSE, KARACHI

The Collectors of Customs, Model Customs Collectorates, Appraisement & Facilitation (East / West) / Port Muhammad Bin Qasim / JIAP, Karachi (Appraisement & Facilitation / Enforcement & Compliance), AIIA Lahore / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad / Hyderabad / Quetta (Appraisement / Preventive) / Peshawar (Appraisement & Facilitation/ Enforcement & Compliance) / Gawadar / Gilgit-Baltistan / Export (Karachi / Port Qasim)

**DETERMINATION OF CUSTOMS VALUES OF FORMIC ACID PCT (2915.1100)**  
**UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

**(VALUATION RULING NO. 1475 / 2020)**

C. No. Misc/09/2009-II/5203

Dated: 06 -10-2020

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, the Customs values of Formic Acid PCT (2915.1100) are determined as follows: -

2. **Background of the valuation issue:** Earlier the customs values of Formic Acid were determined under Section 25A of the Customs Act, 1969 vide Valuation Ruling No.1367/2019 dated 30-04-2019. Representations were received from Karachi Chamber of Commerce & Industry and other stakeholders stating that the international prices of Formic Acid have decreased substantially. Moreover, it was contended that the item is industrial raw material and largely used in the goods meant for exports like leather, textile.etc and the values should be brought in line with international market trends. Therefore, an exercise was undertaken by the Directorate General of Customs Valuation to determine the Customs Values of subject goods in terms of Section 25-A of Customs Act, 1969.

3. **Stakeholders' participation in determination of values:** Meeting was scheduled and held on 07-08-2020 which was attended by different stakeholders. The participants were requested to submit following documents before or during the course of meeting so that customs values could be determined: -

- i. Invoices of imports during last three months showing customs value.
- 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 the last four months showing the difference in price (excluding duty and taxes) to substantiate their contentions.

During the meeting, the importers/ stakeholders stated that the value of Formic Acid has gone down due to low demand globally and therefore the same should be reflected in valuation ruling. The documents submitted by importers were examined and it was observed that contention of the importers regarding downward trend of values was correct.



4. **Method adopted to determine Customs values:** Valuation methods given 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 under Sub-Section (1) of Section 25 of the Customs Act, 1969 was found inapplicable because requisite information was not available as per law. The wide variations of values displayed in the import data as available on record also strengthened the aforementioned fact. Hence requisite information required under law was not available to arrive at the transaction value. Therefore, identical/ similar goods value methods as provided in Sub-Sections (5) and (6) of Section 25 ibid were examined for applicability to the valuation issue in the instant case. The same provided some reference values but could not be exclusively and solely relied upon. In line with statutory sequential order of Section 25, this office conducted market inquiries and Deductive Value Method under Sub-Section (7) of Section 25 of the Customs Act, 1969, and was applied to arrive at assessable customs values of Formic Acid.

5. **Customs values for Formic Acid:** Formic Acid hereinafter specified shall be assessed to duty/ taxes on the minimum Custom values given against them in the Table below: -

Sr. No.	Item Description	Specifications	H.S Code	Proposed PCT for WeBOC	Origin	Custom Values C&F (US\$/Kg)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Formic Acid	85% Manufactured by BASF	2915.1100	2915.1100.1000	All origins	0.47
2		85% (All other manufacturers)	2915.1100	2915.1100.1100	China	0.45
3			2915.1100	2915.1100.1200	Other origins	0.47
4		Above 85% and up to 97% (All manufacturers)	2915.1100	2915.1100.1300	All origins	0.94
5		Above 97% (All manufacturers)	2915.1100	2915.1100.1400	All origins	1.65

*Note: The values have been determined for packing of up to 40 Kg drums. Further reduction of 30US\$/Ton is allowed on account of bulk packing, which includes 250 Kg drums and above.*

6. In cases where declared/ transaction values are higher than the Customs value determined in this Ruling, the assessing officer 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.

7. **Validity of this Valuation Ruling:** The value 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. **Review of the value determined vide this Valuation Ruling:** A review petition may be filed against this Ruling, as provided under Section 25-D of the Customs Act, 1969, within 30 days

