

No. Misc/12/2025-I/1073

Dated: 05 -11-2025

VALUATION RULING NO. 2023 / 2025

1. This Ruling shall be applicable until the same is rescinded or revised in terms of sub-section (4) of Section 25A of the Customs Act, 1969.
2. The revision petition against this Valuation Ruling can be filed under Section 25D of the Customs Act, 1969, within 30 days before the Director General, Customs Valuation.

Subject: **DETERMINATION OF CUSTOMS VALUE OF ZIRCONIUM SILICATE UNDER SECTION 25A OF THE CUSTOMS ACT, 1969.**

**Background of the Issue:** The Directorate General of Customs Valuation has observed that consignments of Zirconium Silicate have been released at significantly lower declared values compared to prevailing international market prices. The principal constituent material of Zirconium Silicate is Zircon Sand, which commands a higher value in the international market. The data examined by the Directorate indicates that the declared values of Zircon Sand of China: US\$ 0.35–1.75/kg, Indonesia: US\$ 2.00/kg, Malaysia: US\$ 1.10–2.15/kg, and Europe: US\$ 1.99–2.20/kg. Presently, the international prices of the constituent material based on China and Europe origins range between US\$ 1.70–1.82/kg, whereas the declared import values of Zirconium Silicate are considerably lower. Such undervaluation results in substantial revenue loss to the national exchequer.

2. In view of the above, it has been considered that a Valuation Ruling for Zirconium Silicate be determined under the provisions of Section 25A of the Customs Act, 1969, to safeguard government revenue and ensure uniformity in assessment. Accordingly, the Directorate has issued meeting notices to all relevant stakeholders, inviting their participation and documentary submissions to assist in the fair determination of customs values for the subject goods.



3. **Stakeholders' participation in determination of Customs Values:** Meetings were convened on 01.10.2025. During the meeting the stakeholders, stated that the subject item were released at lower values, the main constituent material is Zircon Sand, the value of which is published in internationally recognized publications, manufacturing process of Zirconium Silicate is based on Zircon Sand, with value addition through various stages including other material, crushing and milling, magnetic separation, chemical purification, calcination, micronization, surface treatment, and drying and packing. Therefore, the actual value of Zirconium Silicate should not be less than the value of Zircon Sand as published in international sources.

4. **Analysis/Exercise done to determine Customs Values:** Accordingly, in light of the representations submitted by the stakeholders, the import data for the preceding 90 days, along with information obtained from recognized international publications, was thoroughly scrutinized. In this context, the valuation methods prescribed under Section 25 of the Customs Act, 1969, were also carefully examined to ensure that the determination of

customs values is consistent with the legal framework and reflects prevailing international market trends.

5. The transaction value method, as prescribed under sub-section (1) of Section 25 of the Customs Act, 1969, was found to be inapplicable, as the declared values did not reflect the prevailing international market prices. This observation was verified through the Daily Market Newsletter published by M/s. Fastmarkets, Industrial Mineral Prices and corroborated by other credible online sources. The values of identical and similar goods, as provided under sub-sections (5) and (6) ibid, were also examined but could not be solely relied upon for certain origins due to the absence of verifiable evidence concerning the commercial quantity and quality of the imported goods, as well as abnormal fluctuations in prices from the same regions of origin. A market enquiry, as envisaged under sub-section (7) of Section 25 of the Customs Act, 1969, was conducted in accordance with the procedure laid down in Office Order No. 17/2014 dated 19.03.2014. Local markets were visited; however, the findings could not be considered fully reliable owing to irregular and inconsistent pricing trends. The computed value method, as prescribed under sub-section (8) of Section 25 of the Act, was also examined. In this regard, the international prices of the constituent material, i.e., Zircon Sand, as published in recognized international publications, along with the cost of other components such as Silicon Dioxide (SiO<sub>2</sub>), Aluminum Oxide (Al<sub>2</sub>O<sub>3</sub>), Titanium Dioxide (TiO<sub>2</sub>), and Iron Oxide (Fe<sub>2</sub>O<sub>3</sub>), were duly taken into account to arrive at a fair and equitable customs value for Zirconium Silicate.

6. **Method(s) adopted to determine Customs values:** The clearance data, along with market information obtained through surveys, online sources, and recognized international publications, was thoroughly and critically examined. Based on this comprehensive evaluation, the Directorate has concluded that China is the principal exporter of Zirconium Silicate and therefore serves as the global benchmark for determining international market prices. Accordingly, the customs values have been calculated with reference to goods originating from China, as these values represent the most reliable and commercially reflective basis for valuation purposes. Therefore, the Directorate has determined the customs value of Zirconium Silicate at Serial No. 1 under Section 25(9) read with Section 25(8) of the Customs Act, 1969, and at Serial No. 2 under Section 25(6) of the Customs Act, 1969. This approach ensures a fair, transparent, and evidence-based valuation consistent with prevailing international trade practices and safeguards the government revenue.

7. **Customs values for Zirconium Silicate** *hereinafter specified* shall be assessed to duty/taxes at the following Customs values:-



S. No.	Description of Goods	PCT	Proposed PCT for WeBOC	Origin	Customs Values (C&F) US\$ per Kg
1	Zirconium Silicate	2530.9020	2530.9020.1000	China / Thailand / Indonesia / Malaysia / Vietnam	2.084
2	Zirconium Silicate	2530.9020	2530.9020.2000	Europe/USA	2.200

8. In cases, where declared values or values in invoice retrieved from the consignment, as the case may be, are higher than the customs values determined in this valuation ruling, the assessment shall be made on higher values in terms of sub-section (1) of Section 25 of the Customs Act, 1969. Furthermore, if the consignments imported by air, the difference between air freight and sea freight shall be added for the assessment of value.

9. The Valuation Ruling shall be applicable for the descriptions and specifications of goods as mentioned in the aforementioned table. HS Codes are mentioned for illustrative purposes.

10. The Collectortates of Customs shall ensure the implementation of Valuation Ruling and in case of any anomaly may be brought to the notice of this Directorate immediately.



(Salman Afzal)

Director

**Copy for necessary action and implementation:**

The Collectors / Directors of Customs, Collectortates / Directorates of Customs (Appraisement-West / East / SAPT / PMBQ / JIAP / Enforcement/), Karachi / Hyderabad / (Appraisement / Enforcement / Ports), Quetta / Gwadar / Khuzdar (Appraisement / Enforcement / AIIA), (Appraisement-East / West, Lahore / Faisalabad Appraisement / Enforcement, Sargodha / Enforcement & Appraisement, Sambrail (Sialkot) / Enforcement, Multan / Islamabad / Gilgit-Baltistan / (Appraisement/ Enforcement), Peshawar / Enforcement, Dera Ismail Khan / Exports (Port Qasim/Custom House, Karachi) / Transit Trade, Karachi.

**Copy for information:**

- 1) The Member Customs (Operations), F.B.R., Islamabad.
- 2) The Director General, Customs Valuation, Custom House, Karachi.
- 3) All Chief Collectors / Director Generals of Customs, Karachi / Lahore / Islamabad / Quetta / Peshawar.
- 4) All Collectors / Directors of Customs, Karachi / Lahore / Islamabad/ Quetta/ Peshawar/ Faisalabad.
- 5) The Director, Directorate of Customs Valuation, Lahore / Quetta / Peshawar.
- 6) The Deputy Director (MIS), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WEBOC database system.
- 7) The Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
- 8) The Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
- 9) The Karachi Customs Agents Group, Bohri Road, Karachi.
- 10) The Webmaster, Federal Board of Revenue, Islamabad.
- 11) Guard File.