



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

\*\*\*\*\*

The Collectors of Customs, Model Customs Collectorate, Appraisement (East / West) / Port Qasim / Export(Karachi/Port Qasim)/ Preventive, Karachi / Lahore ( Appraisement / Preventive) / Sambrial (Sialkot) / Faisalabad / Multan / Islamabad /Hyderabad/ Quetta / Peshawar/ Gawadar/ Gilgit-Baltistan.

**DETERMINATION OF CUSTOMS VALUE OF PEANUT BUTTER UNDER**  
**SECTION 25-A OF THE CUSTOMS ACT, 1969**

(VALUATION RULING NO. 1016 /2016)

No. Misc/73/2016-1

Dated:-20-01-2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969 assessable customs values of Peanut Butter are hereby determined as follows:-

**2. Background of the Valuation Issue:** This Directorate General had earlier circulated reference values vide Valuation Data Base letter 39 dated 29-08-2016. However, some importers approached this Directorate General and requested to issue valuation ruling for subject goods, pointing out various issues in uniform applicability etc. of the Reference values circulated vide VDB letter No. 39 dated 29-08-2016. Therefore, this Directorate General initiated an exercise for determination of customs values of Peanut Butter.

**3. Stakeholders' Participation in Determination of Customs Values:** A Meeting for the determination of customs values of Peanut Butter with stakeholders was held on 17-01-2017 which was duly attended by all the stakeholders. All the stakeholders strongly contended and requested that the said Valuation Data Base may be reviewed in the light of prevailing international and local market prices. The different importers viewed that the actual prices of Peanut Butter are lower than that determined valuation vide VDB letter No. 39. Further, to determine the veracity of their stance, the stakeholders insisted to conduct fresh market surveys from local market for determination of customs values of Peanut Butter. It was also highlighted that the subject goods are perishable items and therefore have got limited shelf life, consequently, near the expiry dates, these perishable items are sold on sale and discounted prices. It was further contended by the traders that since the subject goods are mainly being sold on super and general stores, therefore, a lot more expenses (shelf rent, marketing expenses, refrigeration cost etc.) are contributed at retail level which cannot be managed without adding extra value to the subject goods. The importers contended that all these factors may also be considered in fixing value of subject goods. Prices are also verified on the basis of location of market in the city and date of expiry of the product in question.

**4. Method Adapted to Determine Customs Values:** Valuation methods provided in Section 25 of the Customs Act, 1969 were duly followed and applied sequentially to address the valuation issue at hand. Transaction value method provided in Sub-Section (1) of Section 25 was found inapplicable because the requisite information under the law was not available to arrive at the correct transaction value. Furthermore, no invoices found from inside import-containers are reported by clearance Collectorate. Identical / similar goods value method provided in 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 same importers provide 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, 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 Web were examined thoroughly. All the information so gathered was analyzed for determination of Customs Value of the subject good. Consequently, the Fall Back Method as provided under section 25(9) of the Customs Act, 1969 was applied to arrive at assessable customs values of Peanut Butter.

5. **Customs Values for Peanut Butter:** Peanut Butter *hereinafter* specified shall be assessed to duty /taxes @ following Customs Values:-

S. No	Description of goods	H.S. Code Code	PCT for WEBOC	Origin	Customs Values (C&F) USS/KG (On net weight basis)
1.	Skippy Peanut Butter (Different Blends/Genres)	2008.1900	2008.1900.1000	All origin	5.00
2.	Jif Peanut Butter (Different Blends/Genres)	2008.1900	2008.1900.1100	All origin	3.50
3.	Highway Peanut Butter (Different Blends/Genres)	2008.1900	2008.1900.1200	All origin	3.25
4.	Peter Pan Peanut Butter (Different Blends/Genres)	2008.1900	2008.1900.1300	All origin	2.45
5.	American Garden U.S, Peanut Butter (Different Blends/Genres)	2008.1900	2008.1900.1400	All origin	2.00
6.	Crown Peanut Butter (Different Blends/Genres)	2008.1900	2008.1900.1500	All origin	2.00
7.	Magic Time Peanut Butter (Different Blends/Genres)	2008.1900	2008.1900.1600	All origin	2.45
8.	Hosen Peanut Butter (Different Blends/Genres)	2008.1900	2008.1900.1700	All origin	2.45
9.	American Green Peanut Butter (Different Blends/Genres)	2008.1900	2008.1900.1800	All origin	2.45
10	American Valley Peanut Butter (Different Blends/Genres)	2008.1900	2008.1900.1900	China	1.00



11	<b>Other Brands Peanut Butter (Different Blends/Genres)</b>	2008.1900	2008.1900.2000	<b>China</b>	<b>1.25</b>
12	<b>Other Brand Peanut Butter (Different Blends/Genres)</b>	2008.1900	2008.1900.2100	<b>All origin</b>	<b>2.25</b>

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. Furthermore, if subject goods are imported but do not specifically fall under the above provided description then the Collectorate may assess the same under section 25 of the Act or may invoke section 81 of 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 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. In case imported items are not specifically fall under any of above mentioned brands, the same may be assessed under Section 25 of Customs Act 1969, otherwise if appropriate the same may be referred to Directorate of Customs Valuation for necessary action at their end.

8. **Revision of the value determined vide this Valuation Ruling:** A revision petition may be filed against this Ruling, as provided 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, 7<sup>th</sup> 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. Customs values determined in the ruling are for the description and specification as mentioned herein. PCT Codes are mentioned for illustrative purpose so that valuation ruling values are made accessible to the assessing officer. The assessment shall be finalized on the basis of correct classification after fulfilling requisite formalities related to importability or any other certification required thereon. In addition to this, it is further necessary to verify that there is no mis-declaration of any sort or violation of Import Policy Order or Section 15 of the Customs Act, 1969 or any other law in vogue therein.

10. *This Valuation Ruling is issued in supersession of Valuation Database (VDB) Letter No. 39 dated 29.08.2016.*

(Dr. Wasif Ali Memon)  
Director

Copy for information to: -

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.