



GOVERNMENT OF PAKISTAN
DIRECTORATE GENERAL OF CUSTOMS VALUATION
CUSTOM HOUSE KARACHI

The Collectors of Customs, Model Customs Collectorates, 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 VARIOUS
SPICES & NUTMEG UNDER SECTION 25-A OF THE CUSTOMS ACT, 1969**

No. Misc/15/2016-I/401 (VALUATION RULING NO. 1047/2017) Dated: 16-02-2017

In exercise of the powers conferred under Section 25-A of the Customs Act, 1969, Customs values of various Spices & Nutmeg are determined as follows: -

2. **Background of the Valuation Issue:** This Directorate General had earlier circulated reference value slabs vide National Valuation Database letters No.19 dated 27-07-2016 for cloves, No.22 dated 29-07-2016 for big cardamom, No.23 dated 29-07-2016 Mace, No.24 dated 04-08-2016 nutmeg, No.25 dated 08-08-2017 for cinnamon and No.26 dated 08-08-2016 tej patta. Furthermore, Valuation Rulings Numbered 598/2013 dated 24-10-2013, No. 687/2014 dated 22-09-2014 and a Valuation Ruling No.743/2015 dated 10-06-2015. In this context the collectorates vide letters no. SI/MISC/118/2016-Group-1(av) dated 01.09.2016 did not agree to some of the prices being hedged with the international ledger-trading and conducted fresh market surveys for items like nutmeg, cinnamon, cassia, tej patta, cloves etc. Pakistan Kiryana Merchants Association also approached this Directorate General and requested to issue valuation ruling for subject goods, pointing out various impediments in the uniform applicability of the notified and reference values, besides other issues. Therefore, this Directorate General initiated an exercise for determination of customs values of various spices & nut.

3. **Stakeholders' Participation in Determination of Customs Values:** A Meeting for the determination of customs values of Spices & Nuts was held on 03-01-2017 which was duly attended by all importing stakeholders. All the stakeholders strongly contended that the international trading prices have fluctuated and requested that the above mentioned National Valuation Database values and Valuation Ruling's values may be reviewed in the light of prevailing international and local market prices. They further contended that never in customs recent history international ledger has been adopted for valuation as their imported goods are of different quality and category and also that their usage in western Europe is minimal. The points of view of all participants was heard in detail and were considered to arrive at the assessable / determined value of subject goods. The Pakistan Kiryana Merchants Association also submitted proposed C&F values of subject goods. The stakeholders insisted to conduct fresh market surveys from wholesales market to determine the veracity of their points of view regarding the value of the subject goods. The perishable nature of the subject goods was also highlighted and importers insisted that the limited shelf life be considered while determining the assessable value, because near the expiry dates, these perishable items are invariably sold on sale and discounted prices. The importers contended that all the discussed factors may be considered while determination under section 25A of the Customs Act, 1969, the values of subject goods. Prices are also



verified on the basis of location of market in the city and date of expiry of the goods in question.

4. **Method Adapted to Determine Customs Values:** Valuation methods provided in the valuation issue at hand. Transaction value method provided in Sub-Section (1) of Section 25 was found inapplicable because the requisite information required under the law was not available to arrive at the correct transaction value. 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 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 various spices & nuts.

5. **Customs Values for Spices & Nuts:** Spices & Nuts *hereinafter* specified shall be assessed to duty / taxes at the following Customs Values:-

S.No.	Description of Goods	H.S.Code	PCT for WeBoc	Origin	Customs Values (C&F) USS/KG (On net weight basis)
(1)	(2)	(3)	(4)	(5)	(6)
1.	Long Pepper	0904.1190	0904.1190.1000	All origin	1.85
2.	Black Pepper Whole	0904.1110	0904.1110.1000	Vietnam	3.50
3.	Black Pepper Whole	0904.1110	0904.1110.1100	Madagascar/ Indonesia/Malaysia, Srilanka	3.75
4.	Black Pepper Whole	0904.1110	0904.1110.1200	India/Brazil	4.25
5.	White Pepper Whole	0904.1120	0904.1120.1000	All Origin	5.00
6.	Cloves	0907.1000	0907.1000.1000	All Origin	4.60
7.	Small Cardamoms	0908.3120	0908.3120.1000	Guatemala	4.70
8.	Small Cardamoms	0908.3120	0908.3120.1000	India	5.70



9.	Big Cardamom	0908.3120	0908.3120.1100	All Origin	3.00
10.	Mace	0908.2100	0908.2100.1200	All Origin	5.00
11.	Cassia / Cinamon	0908.1900	0908.1900.1000	All Origin	1.00
12.	Nutmeg	0908.1100	0908.1100.1000	All Origin	3.00
13.	Star Ani Seeds	0909.6100	0909.6100.1000	All origin	1.35
14.	Kalonji	1211.9000	1211.9000.1000	All origin	0.70
15.	Cumin Seed/ Zeera	0909.3100	0909.3100.1000	All origin	2.00
16.	Dhaniya / Corriander Seed	0909.2100	0909.2100.1000	Russaia / Bulg Aria / Ukraine	0.40
17.	Dhaniya Corriander Seed	0909.2100	0909.2100.1100	India	0.50
18.	Sat Istabgol	1211.9000	1211.9000.1000	India	4.10
19.	Gum Talah	1302.3900	1302.3900.1000	All origin	1.00
20.	Gum Copal	1302.3900	1302.3900.1100	All origin	0.75
21.	Tej Patta	0910.9990	0910.9990.1000	All origin	0.80
22.	Tamarind With Seed	0813.4010	0813.4010.0000	All origin	0.35
23.	Seedlac /Lakh Dana	1301.9020	1301.9020.1000	India	1.75
24.	Asalia Seeds	1211.9000	1211.9000.1100	All origin	0.50

6. In case of import from Iran via land route through MCC Quetta/Peshawar, 15 % margin in value may be allowed if admissible considering the reduced element of freight charges. 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.

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 (4) 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, otherwise if appropriate the same may be referred to Directorate of Customs Valuation for necessary action at their end.

9. **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, 7th Floor, Custom House, Karachi.

10. 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 especially with reference to filled with any prohibitive item thereon in chocolates. 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.

11. *This Valuation Ruling is issued in supersession of Valuation Ruling No. 598/2013 dated 24-10-2013 Valuation Ruling No. 687/2014 dated 22-09-2014 & Valuation Ruling No. 743/2015 dated 10-06-2015, Valuation Database (VDB) Letter Nos. 19 dated 27-07-2016, Data Base letter 22 dated 29-07-2016, Data Base letter 23 dated 29-07-2016, Valuation Data Base letter 24 dated 04-08-2016, Valuation Data Base letter 25 dated 08-08-2017 and Valuation Data Base letter 26 dated 08-08-2016.*

(Dr. Wasif Ali Memon)
Director

Copy for information to: -

1. Member (Customs), F.B.R., Islamabad.
2. Director General, Customs Valuation, Custom House, Karachi.
3. Chief Collector of Customs, South (Appraisalment), 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.
09. Director General, Post Clearance Audit (PCA), Islamabad.
10. Director General, Internal Audit (Customs), Karachi.
11. Directors, Intelligence & Investigation, Karachi / Lahore / Islamabad/ Quetta Peshawar/ Faisalabad.
12. Director, Directorate of Customs Valuation (Camp Office), Lahore.
13. Deputy Director (HQ), Directorate General of Customs Valuation, Karachi, for uploading in One Customs & WeBOC database system and deleting Valuation Ruling No. 598/2013 dated 24-10-2013 Valuation Ruling No. 687/2014 dated 22-09-2014 & Valuation Ruling No. 743/2015 dated 10-06-2015 Valuation Database (VDB) Letter Nos. 19 dated 27-07-2016, Data Base letter 23 dated 29-07-2016, Valuation Data Base letter 24 dated 04-08-2016, Valuation Data Base letter 25 dated 08-08-2017 and Valuation Data Base letter 26 dated 08-08-2016 on the date of issue of this ruling.
14. Chairman (Valuation Committee), FPCC&I, Federation House, Clifton, Karachi.
15. Chambers of Commerce & Industry, Karachi, Lahore, Islamabad, Hyderabad, Quetta & Peshawar.
16. Law Section, Customs Valuation, 7th Floor, Custom House, Karachi.
17. Review Section, Customs Valuation, 7th Floor, Custom House, Karachi.
18. Karachi Customs Agents Group, Bohri Road, Karachi.
19. CHO, Customs Valuation, Custom House, Karachi.
20. Notice Board, Customs Valuation 7th Floor, Custom House, Karachi / MCC, Appraisalment, 1st Floor, Custom House, Karachi.
21. Webmaster Federal Board of Revenue, Islamabad.
22. Guard File